



Rhode Island Department of Revenue

Division of Taxation

Seminar for Tax Preparers: Agenda

First session: Thursday, November 2, 2017, from 9:00 a.m. to 12 noon, Community College of Rhode Island, Newport
Second session: Friday, December 1, 2017, from 9:00 a.m. to 12 noon, Community College of Rhode Island, Warwick

■ 9:00 a.m. to 9:10 a.m.

Greetings / Housekeeping

Neil Downing, EA, MST, CFP® / Chief Revenue Agent

■ 9:10 a.m. to 9:25 a.m.

Rhode Island Legal Services: Low Income Taxpayer Clinic

Elizabeth W. Segovis, Esq. or Rebecca Angelone, Esq.
Rhode Island Legal Services / Low Income Taxpayer Clinic

- *Representation at no charge for low-income taxpayers*
- *Earned income credit appeals*
- *Innocent spouse relief requests*
- *Injured spouse claims*
- *Identity theft*
- *Audits or examination*
- *Debt cancellation*

■ 9:25 a.m. to 9:35 a.m.

Non-Collecting Retailers

Tax Administrator Neena S. Savage, Esq.,
or Assistant Tax Administrator Michael F. Canole, CPA

- *New law on non-collecting retailers*
- *Also affects retail sale facilitators, referrers*
- *Registration requirements*
- *Notification option – could affect your clients during 2018 filing season*

■ 9:35 a.m. to 9:45 a.m.

Computer Systems Update

Rahul Sarathy, MST, Chief of Examinations

- *State Tax and Revenue Accounting System (STAARS)*
- *Conversion status*
- *Future plans*

■ 9:45 a.m. to 10:15 a.m.

Tax Amnesty

Jacques Moreau / Chief, Compliance and Collections

- *Advisory of September 27, 2017*
- *Amnesty notice*
- *Amnesty return*
- *Dedicated phone bank*
- *Dedicated email / webpage*

10:15 a.m. to 10:30 a.m.

✦ **Break** ✦

■ 10:30 a.m. to 11:05 a.m.

Personal Income Tax

Leo Lebeuf / Chief Revenue Agent, Personal Income Tax

- *Filing season update*
- *Earned income credit; property-tax relief (Form RI-1040H)*
- *Social Security benefits*
- *Income from retirement plans, pensions*
- *Form changes*
- *Update/reminder on e-filing*
- *Common tax-preparation errors*
- *Partnership audit rules*

■ 11:05 a.m. to 11:35 a.m.

Corporate Income Tax / Pass-Through Entities

Marlen Bautista / Chief Revenue Agent, Corporate Tax

- *Combined reporting*
- *Change in due dates – filings*
- *Corporate minimum tax*
- *Change in estimated tax payment schedule*
- *Letters of good standing for the sale or transfer of a major portion of assets*
- *Other items and reminders*

- 11:35 a.m. to 11:50 a.m.

Sales and Use Tax / Excise Tax

Theriza Salib-lafrate / Chief Revenue Agent, Excise Tax

- *Use tax*
- *Self-audit program / Form T-205*
- *Individualized account numbers*
- *Tax on fees on motor vehicle transactions*
- *Cigarette tax increase*
- *Acquired real estate conveyance tax*

- 11:50 a.m. to 12:00 noon

Regulations / Closing Remarks

Michael Canole, CPA / Assistant Tax Administrator

- *Regulatory update*
- *Closing remarks*

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- Today's meeting room is sometimes used to provide tests for students. If computer equipment is set up at your table or seat today, please do not move it or use it; it is there for CCRI student testing. Thank you.
 - Agenda times are approximate. Agenda topics and speakers are subject to change.
 - To be eligible for Certificate of Completion, you must stay for entire session today and complete and hand in evaluation form found on last page. Certificates will be distributed at end of today's program near main entrance to meeting room.
 - Today's agenda and supporting documents will be posted online at www.tax.ri.gov/online services.

Thank you for attending!

Your Notes _____

Rhode Island Division of Taxation Seminar Evaluation Form

Thank you for participating in our "Tax Preparers' Seminar." By completing the evaluation form below, you will help us improve our future programs. Please hand your completed evaluation form to the greeter at the door following the seminar to obtain a "Certificate of Completion." Thank you.

Evaluation	
Name of Seminar Provider:	Rhode Island Division of Taxation
Seminar Name:	"Seminar for Tax Preparers"
Date Seminar was Completed:	Please circle one date: Nov. 2, 2017 <u>or</u> Dec. 1, 2017
Your Name (optional):	
Instructions: Please grade all of the following evaluation points for this seminar. For each one, please assign a number grade, using a scale of 1 to 5, with 5 being the highest.	
1. Were stated learning objectives met?	
2. Were program materials accurate, relevant and did they contribute to the achievement of the learning objectives?	
3. Was the time allotted to learning adequate?	
4. Were the facilities / equipment appropriate?	
5. Were the handout materials [print and/or online] satisfactory?	
6. Were the audio and video materials effective?	
7. Were individual presenters knowledgeable and effective?	

Additional Comments (optional):

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Rhode Island Department of Revenue Division of Taxation

Topic:

Rhode Island Legal Services Low Income Taxpayer Clinic

Guest speaker:

Rebecca Angelone
Attorney
Rhode Island Legal Services, Inc.

(or)

Elizabeth W. Segovis, Esq.
Director of Training
Rhode Island Legal Services, Inc.

RHODE ISLAND LEGAL SERVICES LOW INCOME TAXPAYER CLINIC

LITC ATTORNEY: ELIZABETH SEGOVIS
274-2652, EXTENSION 172
ESEGOVIS@RILS.ORG



RHODE ISLAND LEGAL SERVICES IN GENERAL

- STAFF: 25 attorneys, 6 legal assistants, 1 social worker
- FUNDING: combination of state and federal funding and private grants
- LOCATION: 56 Pine Street, Suite 400, Providence AND 50 Washington Square, Newport

LOW INCOME TAXPAYER CLINIC, SPECIFICALLY

- STAFF: Attorney Elizabeth Segovis
- FUNDING: grant from the Internal Revenue Service
- WHAT: FREE legal assistance on federal tax matters with less than \$50,000 in dispute

RHODE ISLAND LEGAL SERVICE'S
LITC DOES NOT PREPARE CURRENT
YEAR TAX RETURNS!!!



IN ORDER TO QUALIFY FOR SERVICES

- Clients must be income-eligible;
- Have no “conflicts” with other RILS clients;
- Be present in the country legally; and
- Have a question that falls within existing RILS priorities

INCOME ELIGIBILITY: 250% POVERTY LEVEL

Family Composition	250% Poverty (annual income)
1	\$30,150
2	\$40,600
3	\$51,050
4	\$61,500
5	\$71,950
6	\$82,400
7	\$92,850
8	\$103,300

You don't need to do the calculation yourself! We will determine the family composition and identify income streams. You just need to make your clients aware of the screening process

CONFLICT SCREENING



Legal Conflict: a situation where representation of one party could be adverse to that of another party

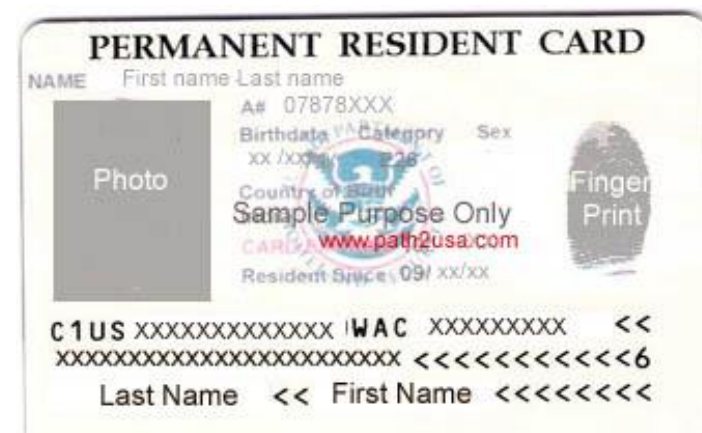
CITIZENSHIP REQUIREMENTS

US CITIZEN



OR

PERMANENT RESIDENT



WITH A FEW EXCEPTIONS



RILS LITC PRIORITIES

- Earned Income Tax Credit (EITC) appeals
- Innocent Spouse Relief Requests
- Injured Spouse Claims
- Identity theft
- Audits or examination
- Debt cancellation

THE LITC CANNOT HANDLE
CASES WITH MORE THAN
\$50,000 IN DISPUTE!



EARNED INCOME TAX CREDIT (EITC)



☐ EITC denial appeals

☐ Appeals to IRS
regarding fraud
determinations

INNOCENT SPOUSE RELIEF REQUESTS



Form **1040** Department of the Treasury—Internal Revenue Service (99) **2013**

For the year Jan. 1–Dec. 31, 2013, or other tax year beginning , 2013, ending

Your first name and initial Last name

If a joint return, spouse's first name initial name

Home address (number and street, if you have a P.O. box, see instructions).

City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions).

Foreign country name Foreign province/state/country

Filing Status

Check only one box.

1 ☐ Single

2 ☐ Married filing jointly (even if only one had income)

3 ☐ Married filing separately. Enter spouse's SSN above and full name here. ►

Exemptions

6a ☐ **Yourself.** If someone can claim you as a dependent, check this box.

- ☐ Has your client received a bill regarding a joint tax return?
- ☐ Is that bill related to an inaccurate tax filing?
- ☐ Was your client unaware that his or her spouse provided false information to the IRS?
- ☐ Would it be unfair to hold your client liable for this debt?
- ☐ Has your client already applied for relief and been denied?

INJURED SPOUSE CLAIMS

Instructions for Form 8379
(Rev. December 2010)
Injured Spouse Allocation

Section references are to the Internal Revenue Code unless otherwise noted.

General Instructions

Purpose of Form

For injured spouse who can get additional refund.

Form 8379
(Rev. December 2010)
Department of the Treasury
Internal Revenue Service

Injured Spouse Allocation

▶ See instructions.

Part I Should you file this form? You must complete this part.

1 Enter the tax year for which you are filing this form. ▶ Answer the following questions.

2 Did you (or will you) file a joint return?

☐ Yes. Go to line 3.

☐ No. Stop here. Do not file this form. You are not an injured spouse.

3 Did (or will) the IRS use the joint overpayment to pay any of the following legally enforceable debts of your spouse? (see instructions)

• Federal tax • State income tax • Child support • Spousal support • Federal non-tax debt

☐ Yes. Go to line 4.

☐ No. Stop here. Do not file this form. You are not an injured spouse.

Note. If the past-due amount is for a joint federal tax, you may qualify for innocent spouse relief. See *Innocent Spouse Relief* in the instructions for Form 8379.

- ☐ Has the client received a bill regarding a joint tax return?
- ☐ Is this debt attributed to your client's spouse?
- ☐ Has your client already applied for relief and been denied?

IDENTITY THEFT



- ☐ Has somebody filed a tax return using your client's social security information?
- ☐ Has your client received a tax bill due to work performed by somebody else?

AUDITS OR EXAMINATIONS



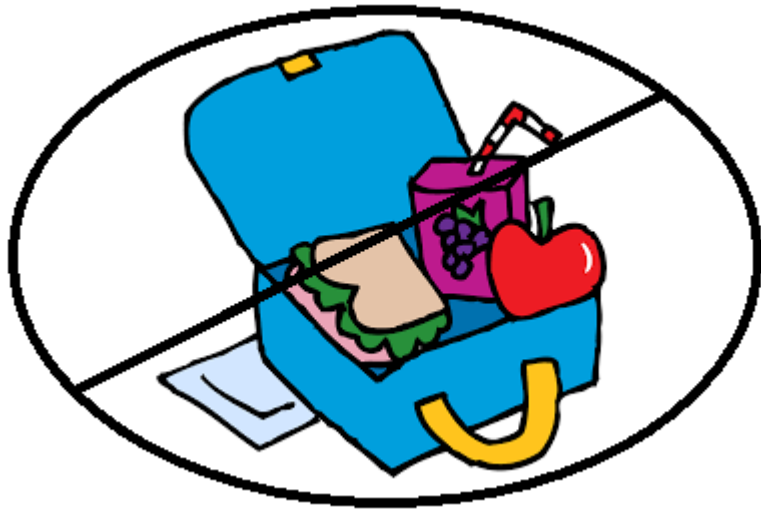
THE LITC CAN HELP WITH THESE AUDIT ISSUES:

- ☐ IRS review of filing status;
- ☐ IRS review of claimed deductions; and
- ☐ IRS review of tax credits

THE LITC CAN HELP by:

- ☐ Preparing evidence requested by auditors;
- ☐ Meeting with IRS employees; and
- ☐ Representing clients during an audit

DEBT CANCELLATION



There is no free lunch . . .

THE IRS TREATS FORGIVEN DEBT AS INCOME, but not all of it is taxable.

The LITC can assist clients in determining whether that income is taxable.

If that income IS taxable, the IRS can help to negotiate an appropriate payment plan.

THERE'S MORE!

The LITC can also help clients to:

- ☐ Negotiate and settle tax debt;
- ☐ Settle deficiency notices
- ☐ Ask for Collections Due Process hearings to try to avoid liens
- ☐ Ask the IRS for revised employment status

BUT THERE IS A LIMIT . . .

The LITC at RILS cannot handle:

- ❑ ITIN issues
- ❑ Cases with more than \$50,000 in controversy for a single tax year



WHAT SHOULD YOU DO IF YOU HAVE A CLIENT IN NEED?

- ☐ Ask your clients to contact Rhode Island Legal Services at 274-2652. Your clients should state: I have questions regarding my taxes. I would like to be placed on the callback list for the LITC. Your clients will receive a callback from a legal assistant; OR
- ☐ You can make a referral on behalf of your clients by contacting Elizabeth Segovis at 274-2652, extension 172.



QUESTIONS?





Rhode Island Department of Revenue Division of Taxation

Topic:

Non-collecting retailers, facilitators, referrers;
Registration requirements;
Rhode Island-based web business affected?
Notification option could affect your clients

Speaker:

Neena S. Savage, Esq.
Tax Administrator
Rhode Island Division of Taxation

(or)

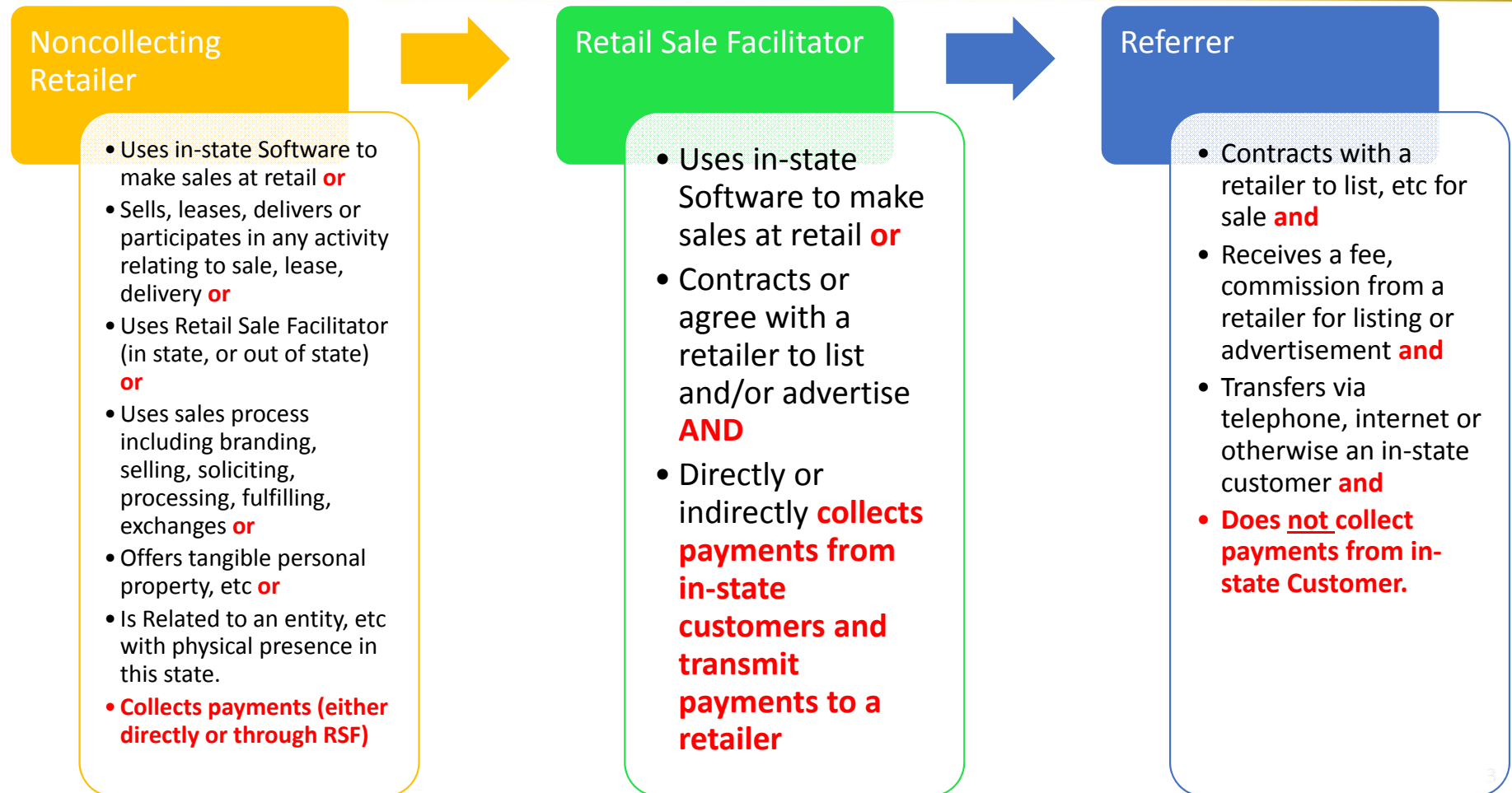
Michael F. Canole, CPA
Assistant Tax Administrator
Rhode Island Division of Taxation

NONCOLLECTING RETAILERS, REFERRERS, AND RETAIL SALE FACILITATORS ARTICLE 9: General Summary

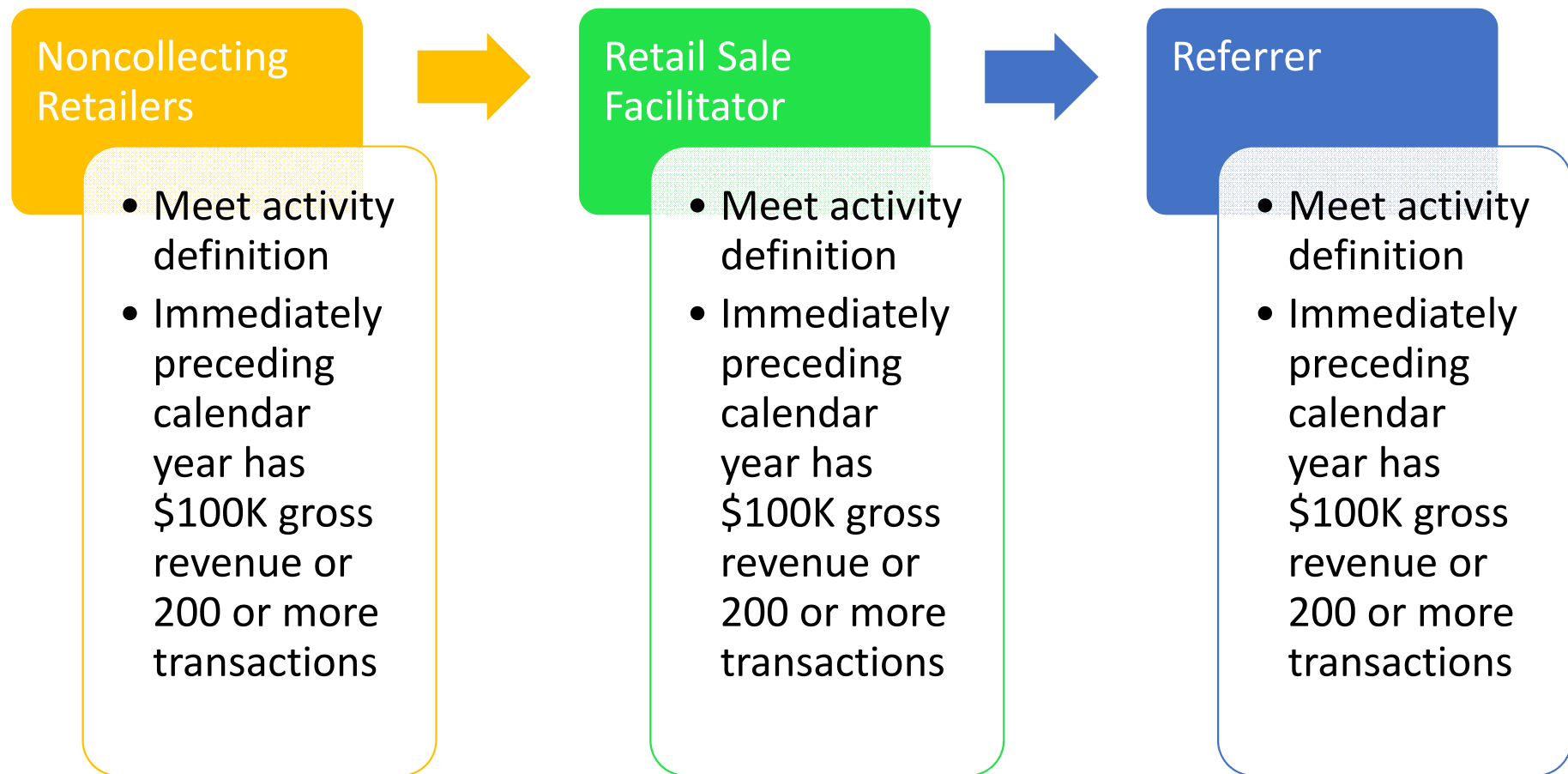
Outline of Proposed Law

- **Legislative Findings: 44-18.2-1**
- **Definitions: 44-18.2-2**
 - **Noncollecting Retailer: 44-18.2-2(4)**
 - **Referrer: 44-18.2-2 (6)**
 - **Retail Sale Facilitator: 44-18.2-2 (9)**
- **Requirements for: 44-18.2-3**
 - **Noncollecting Retailer**
 - **Referrer**
 - **Retail Sales Facilitator**
- **Exceptions: 44-18.2-4**
- **Penalties: 44-18.2-5**
- **Other Obligations: 44-18.2-6**
- **Rules and Regulations: 44-18.2-7**
- **Enforcement: 44-18.2-8**
- **Appeal: 44-18.2-9**
- **Severability: 44-18.2-10**

Covered Entities: Sales Made or Facilitated By Various Functions



Threshold Requirements



Compliance Options: If thresholds met, then:

Noncollecting Retailer

- Beginning July 15, 2017, register, collect or remit **OR**
- **Post notice on website and**
- **Notify at time of purchase**
- **Notify within 48 hours**
- **Send annual notice**
- **Annual attestation**

Retail Sale Facilitator

- Beginning January 15, 2018, annually provide list of names/addresses of the retailers for whom they collect RI Sales Tax
- Annually provide list of names and address of retailers for whom they do not collect RI Sales and Use Tax.

Referrer

- At any time during any calendar year when more than \$10K from fees, commissions compensation, provide all retailers with notice within 30 days

IMPORTANT NOTICE



This publication is an informal summary of proposed legislation and is for general information purposes only. It is not a substitute for the legislative proposal, the legislation itself, Rhode Island General Laws, or Rhode Island Division of Taxation regulations, rulings, or notices.



Rhode Island Department of Revenue Division of Taxation

Topic:

State Tax Administration and Revenue System (STAARS);
Conversion status;
Future plans

Speaker:

Rahul Sarathy, MST
Chief of Examinations
Rhode Island Division of Taxation

Phone: (401) 574-9239
Fax: (401) 574-8917
Email: Rahul.Sarathy@tax.ri.gov



Rhode Island Department of Revenue Division of Taxation

Topic:

Amnesty Advisory of September 27, 2017;
Amnesty notice;
Amnesty return;
Dedicated phone bank;
Dedicated email, website

Speaker:

Jacques Moreau
Chief, Compliance and Collections

Telephone: (401) 574-8884
Fax: (401) 574-8915
E-mail: Jacques.Moreau@tax.ri.gov



Rhode Island Department of Revenue

Division of Taxation

ADV 2017-29
TAX ADMINISTRATION

ADVISORY FOR TAX PROFESSIONALS
SEPTEMBER 27, 2017

Preparations under way for Rhode Island tax amnesty

Division provides highlights well in advance for tax professionals and tax preparers

PROVIDENCE, R.I. – Preparations at the Rhode Island Division of Taxation are under way for the Rhode Island tax amnesty which begins in December.

“The start of amnesty is still more than two months away, but we want to let tax professionals and taxpayers know that we are well along in our planning and in our preparations,” said Rhode Island Tax Administrator Neena S. Savage, who oversees the Division of Taxation, which is part of the Rhode Island Department of Revenue.

“With today’s Advisory, we are providing a summary of amnesty information – some highlights, at a glance – for those tax professionals and taxpayers who are eager for information well in advance. We are making steady progress in our preparations and we will be ready for the amnesty when it begins,” Savage said.

For example, the Division already has set up the official amnesty website, which will be a clearinghouse of information about the amnesty. The website address is: <http://www.taxamnesty.ri.gov/>.

Although the website remains under construction, the Division of Taxation wants to let tax professionals and taxpayers know that the website will serve as the central repository for official amnesty-related information: The Division plans to post information to the website in stages over time – including the amnesty application form when it is completed.

Account statements to be mailed

The Division plans to mail account statements to approximately 90,000 taxpayers, beginning in early November, letting them know of their account balance. The account statements also will let the taxpayers know how much it will cost them to pay off their balance. In addition, the mailing will include the official amnesty application form and a payment voucher.

Plans also call for a phone bank to answer calls about amnesty. The Division will announce the phone number and the hours of operation when the phone bank opens, closer to the start of amnesty. In addition, the Division has already begun planning an extensive advertising and marketing campaign for amnesty.

AMNESTY AT A GLANCE

- Division will start accepting applications on December 1, 2017
- Amnesty will run for 75 days
- Amnesty applies to all Rhode Island state taxes
- Amnesty applies to any taxable period ending on or before December 31, 2016.
- If you pay the tax you owe, the Division will waive penalties and reduce the interest by 25 percent
- The Division is in process of developing an application form, website, and phone bank
- Extensive advertising and marketing campaign is planned
- Amnesty will end on February 15, 2018

Other points to keep in mind

Following are a few additional points to keep in mind regarding amnesty:

- By law, amnesty begins on December 2, 2017. But that's a Saturday. So, to avoid confusion and for convenience, the Division plans to begin accepting amnesty applications on Friday, December 1, 2017.
- Amnesty shall apply to all Rhode Island state taxes and fees administered by the Rhode Island Division of Taxation/Tax Administrator. Thus, no federal or local taxes or fees are eligible.
- The amnesty is for any taxable periods which ended on or before December 31, 2016. Thus, the amnesty will not apply to tax periods ended or ending in 2017 or later.
- If you pay the tax you owe, the Division will waive penalties and reduce the interest by 25 percent. For example, during 2016, a rate of 18 percent applied to underpayments. However, if you qualify for amnesty under this example, your interest rate for that period would be reduced by 4.5 percentage points, to 13.5 percent. In addition, the Division will not seek civil or criminal prosecution for the taxable period for which amnesty has been granted, nor will the Division block the renewal of your driver's license, professional license, or motor vehicle registration for that period. "In addition, by taking advantage of amnesty, you will get a clean slate, a fresh start, and rest easy," Savage said.
- Although the Division plans to mail notices to about 90,000 taxpayers who have a balance due, the Division will also extend amnesty to those whose Rhode Island tax delinquencies are not known to the agency. For example, someone who has never filed a Rhode Island return, but who should have filed, may be eligible for the amnesty. That person should contact the agency either shortly before amnesty begins or during the amnesty period. That person should also keep in mind that amnesty applies only for any taxable periods which ended on or before December 31, 2016.
- The 75-day amnesty period runs through Thursday, February 15, 2018. All amnesty applications and payments must be made or postmarked on or before 11:59 p.m. on February 15, 2018.
- Remember: Additional information about amnesty will be posted to the amnesty website.

The Rhode Island Division of Taxation office is located at One Capitol Hill in Providence, R.I., diagonally across from the Smith Street entrance to the State House, and is open to the public from 8:30 a.m. to 3:30 p.m. business days. For more information, contact the Division of Taxation at (401) 574-8829. This Advisory is an informal, plain-language summary of recently enacted legislation and is for general information purposes only. It is not a substitute for Rhode Island General Laws, or for Rhode Island Division of Taxation regulations, rulings, or notices.



State of Rhode Island and Providence Plantations
DIVISION OF TAXATION
One Capitol Hill
Providence, RI 02908-5800



Phone: [UNIT PHONE]
TTY Via [TTY]
Fax: [UNIT FAX]
Email: [UNIT EMAIL]

<Mail Date>

STATEMENT OF ACCOUNTS ELIGIBLE FOR AMNESTY 2017

[NAME]
[ATTENTION]
[ADDRESS LINE 1]
[ADDRESS LINE 2]
[CITY], [STATE] [ZIP]
[COUNTRY]

Taxpayer ID: [TAXPAYER ID]

Notice ID: [NOTICE ID]

Total Amount Due: \$[TOTAL_BAL_DUE]

Amnesty Amount Due By 12/15/2017: \$[AMOUNT1]

Dear Taxpayer:

Division of Taxation records show you owe the above amount. A "Summary of Taxes Due" listing each known tax liability is on the back of this notice. These tax liabilities may be eligible for the Amnesty 2017 Program whereby taxpayers receive a penalty waiver and partial interest reduction upon submitting an amnesty return, and full payment of the amnesty amount due between **December 1, 2017** and **February 15, 2018**. The Amnesty 2017 Program does not apply to anyone who is in bankruptcy or receivership, currently under audit, in hearing or in court on a tax matter or is under criminal investigation for taxes.

To claim amnesty, you must send a **bank check or money order** payable to the RI Division of Taxation for the full amount of the amnesty payment(s) along with the amnesty bill coupon below and the enclosed amnesty return. The amnesty payment has already been computed and is shown for each tax liability in the Summary of Taxes Due. Amnesty returns are also available online at the Tax Division's website at www.TaxAmnesty.ri.gov. Information is also available by calling (401) 574-8650 or e-mailing Tax.Amnesty@tax.ri.gov. Payments and amnesty returns should be mailed after December 1, 2017. Payments or returns received after February 15, 2018 do not qualify for amnesty but the monies will be applied to your outstanding tax liabilities.

The Summary of Taxes Due does not include any payroll taxes that you may owe to the Division of Taxation, Employer Tax Section. To receive amnesty on these tax liabilities, you must contact the Employer Tax Section at (401) 574-8700 and file a separate check and return. The Summary of Taxes Due does not include any unknown or established tax liabilities for which a return was not filed or you were not previously billed.

-----Detach-----

[STATE]
[DIVISIONCAP]

Amnesty Bill Coupon

14201799990101

Return this coupon with your payment

Make check(s) payable to: **Rhode Island [DIVISION]**

Date:[MAIL DATE]

Include Notice ID [NOTICE ID] on the check

Case ID:

[CASE ID]

Invoice Number:

[INVOICE NUMBER]

Rhode Island [DIVISION]

[AGENCYLINE1]

[AGENCYLINE2]

Amount Due if Paid by 12/15/17

\$ [AMOUNT1]

Amount Due if Paid by 01/15/18

\$ [AMOUNT2]

Amount Due if Paid by 02/15/18

\$ [AMOUNT3]

[NAME]

Amount Enclosed

\$ _____



State of Rhode Island and Providence Plantations
DIVISION OF TAXATION
One Capitol Hill
Providence, RI 02908-5800



Phone: [UNIT PHONE]
TTY Via [TTY]
Fax: [UNIT FAX]
Email: [UNIT EMAIL]

<Mail Date>

STATEMENT OF ACCOUNTS ELIGIBLE FOR AMNESTY 2017

Notice ID: [NOTICE ID]

Taxpayer ID: [TAXPAYER ID]

Summary of Taxes Due					
Account Period	Tax	Interest	Penalty	Amnesty Savings	Amnesty Payment
Total					

The above interest is calculated to December 15, 2017 and will continue to accrue on any tax amount due.

A bill less than thirty (30) days old may not be included in the above total.

The above figures do not include any taxes that are being contested in court or hearing.

The above figures do not include any taxes that were billed for a tax period after December 31, 2016.



State of Rhode Island and Providence Plantations

Department of Revenue
Division of Taxation
One Capitol Hill
Providence, RI 02908-5800

TAX AMNESTY RETURN

(General information and instructions on back)

Rhode Island has established a Tax Amnesty Program beginning on December 1, 2017 and ending February 15, 2018. Civil and criminal penalties will be waived for a taxpayer who applies for amnesty during the amnesty period and pays the full amount of tax and seventy-five (75%) percent of interest computed from the original due date to the actual date of payment.

Section I: Type or Print Name, Mailing Address and Tax Identification Number.

Taxpayer name		Social security # or federal identification #	Sales tax permit #
Spouse's name (if joint income tax application)		Spouse's social security #	
Business name (if different from above)			
Mailing address (include apt., office or unit #, if any)			
City, town, or post office		State	ZIP Code
In case additional information is needed, provide a name (if different from the taxpayer listed above) and telephone number where we may reach you weekdays between the hours of 8:30 a.m. and 3:30 p.m.			
			Name
			Telephone number

Section II: Indicate Tax Period, and Amounts Due for Each Period

A	B		C	D	E
Tax type	Period of return		Enter tax amount	Enter interest amount	Enter Total Add Columns C + D
	Beginning	Ending			
1.					
2.					
3.					
4.					
5.					
6.					
7. Totals. For each column, add amounts from lines 1 through 6					
8. Totals from continuation sheet. Check <input type="checkbox"/> if additional sheets attached					
9. Original Amount Due. For each column, add lines 7 and 8					
10. Interest at 75%. Multiply interest from Column D, line 9 by 75% (0.75)					
11. Total Due from periods not reported on Amnesty SOA. For Column C, enter amount from line 9. For Column D, enter amount from line 10					
12. Amount Due from Amnesty Statement of Account (SOA)					
13. Total Amnesty Amount Due. For each column, add lines 11 and 12					

Section III: Sign this application

Under penalties of perjury, I declare that I have examined this form, including any accompanying returns and schedules, and to the best of my knowledge they are correct and complete. I also declare that to the best of my knowledge I am not under criminal investigation, or a party to any civil or criminal litigation pending in any court of the United States or the State of Rhode Island for fraud relative to any state tax collected by the Tax Administrator.	Signature of taxpayer or authorized agent		Date
	Spouse's signature (if joint income tax application)		Date
	Title of authorized agent		
	If corporation, signature of authorized officer		Date
I apply for the amnesty on the items listed above, and enclose a payment of : \$ _____	Title		

TAX AMNESTY - GENERAL INFORMATION

What is Tax Amnesty?	Tax Amnesty is an opportunity for taxpayers to pay back taxes without penalty or criminal prosecution. It includes tax liabilities for taxable periods ending on or before December 31, 2016.
Who is eligible for Tax Amnesty?	Individual taxpayers, corporations, or other entities which owe any tax imposed by law and collected by the Tax Administrator.
Who is not eligible for Tax Amnesty?	Amnesty will not be granted to taxpayers who are a party to any criminal investigations or to any civil or criminal litigation which is pending in any court of the United States or the State of Rhode Island for fraud in relation to any state tax imposed by any law of the State of Rhode Island and collected by the Tax Administrator.
What taxes are eligible for Tax Amnesty?	All state taxes imposed by the State of Rhode Island and collected by the Tax Administrator.
What is the applicable interest rate?	Interest is to be computed at the rate of twelve percent (12%) annually from the due date to 9/30/2006 and at a rate of eighteen percent (18%) from 10/1/2006 to the payment date.
Where to obtain forms and assistance?	To obtain additional amnesty applications, tax forms or general information, contact the Tax Amnesty Section by calling (401) 574-8650 by visiting the Tax Amnesty website: www.TaxAmnesty.ri.gov or by sending an email to Tax.Amnesty@tax.ri.gov . All tax forms are also available on the Tax Division website: www.tax.ri.gov .
How to apply and pay?	You must send in a completed application along with all returns and payment for the entire amount of tax and seventy-five (75%) percent of the interest owed on the eligible returns listed. If payment in full creates a severe hardship, you may apply for installment payments. Any installment agreement based on financial hardship must be approved by the Tax Administrator during the seventy-five (75) day amnesty program and must be paid in full by February 15, 2018. Contact the Tax Amnesty section at (401) 574-8650.

Note: Payment must be in the form of a bank check or money order.

NOTE: A separate Amnesty Application must be completed for any Employer Taxes owed.

Send in with a bank check or money order payable to RIET.

INSTRUCTIONS ON HOW TO APPLY FOR TAX AMNESTY

Complete past due tax returns. Amend any incorrect returns by disclosing all unreported tax liabilities.

<p>Section I Use current information. For personal income tax, enter name and social security number. For joint personal income tax applications also enter information on spouse.</p> <p>For all other taxes enter taxpayer name and applicable tax identification number (social security/employer identification/sales tax permit). For taxes owed by a business, enter the business name and federal identification number.</p> <p>Enter present mailing address. Include name of individual authorized to receive mail if different than the taxpayer name.</p>	<p>Column D Lines 1 through 6: Enter the amount of interest due. Compute interest at the rate of: 12 percent (12%) annually (1% per month) from the due date through September 30, 2006 and 18 percent (18%) annually (1.5% per month) from October 1, 2006 through time of payment. Line 7: Enter the total interest due from lines 1 through 6. Line 8: Enter the interest due from any additional sheets. Line 9: Add the interest amounts from lines 7 and 8 together. Line 10: Multiply the interest amount on line 9 by 75% (0.75) to get the amount of interest due. Enter here and on line 11. Line 11: Enter the amount from line 10. Line 12: Enter the amount of interest from your 2017 Amnesty Statement of Account that is being included with your Amnesty Application. The interest on the 2017 Amnesty Statement of Account has been calculated at 75% for your convenience. Line 13: Add the tax amounts from line 11 and 12.</p>
<p>Section II Complete as follows:</p> <p>Column A Lines 1 through 6: Enter type of eligible tax (e.g. cigarette, corporate, employer tax, motor fuel, personal income, sales and use, withholding). <i>Remember to complete a separate application for any Employer Taxes owed, and send in a separate payment payable to RIET.</i></p> <p>Column B Lines 1 through 6: Enter the tax period, tax year or date the tax liability was incurred.</p> <p>Column C Lines 1 through 6: Enter the amount of tax due from your tax return(s). Line 7: Enter the total tax due from lines 1 through 6. Line 8: Enter the tax due from any additional sheets you are attaching and check the box on this line. Line 9: Add the tax amounts from lines 7 and 8. Enter here and on line 11. Line 11: Enter the amount from line 9. Line 12: Enter the amount of tax from your 2017 Amnesty Statement of Account that is being included with your Amnesty Application. Line 13: Add the tax amounts from line 11 and 12.</p>	<p>Column E For lines 1 through 9 and lines 11 through 13: Add the tax amounts from Column C to the interest amounts from Column D.</p> <p>Section III Sign this application and all attached tax forms. Make bank check or money order payable to "Rhode Island Division of Taxation." Include your social security number or other tax identification number on all payments. Include the coupon from your 2017 Amnesty Statement of Account, if including amounts on your Amnesty Application. <i>If you are making payment for Employer Taxes, please send a separate bank check or money order payable to "RIET".</i></p>

Mail Tax Amnesty application, tax forms and payment to:

**Tax Amnesty
RI Division of Taxation
One Capitol Hill
Providence, RI 02908-5800**

Your amnesty application(s), along with all delinquent tax returns and payments that are being submitted for Amnesty, must be postmarked by February 15, 2018 in order to be considered.

A taxpayer who applies for tax amnesty forfeits all future appeal rights for liabilities paid through the Tax Amnesty program.



Rhode Island Department of Revenue Division of Taxation

Topic:

Filing season update;
Earned income credit;
Property-tax relief (1040H);
Social Security benefits;
Income from retirement plans, pensions;
Form changes;
Update/reminder on e-filing;
Common tax-preparation errors;
Partnership audit rules

Speaker:

Leo Lebeuf
Chief Revenue Agent
Personal Income Tax Section

Telephone: (401) 574-8983
Fax: (401) 574-8919
E-mail: Leo.Lebeuf@tax.ri.gov

State of Rhode Island and Providence Plantations

2017 Form RI-1040

Resident Individual Income Tax Return

Your social security number		Spouse's social security number	
Your first name	MI	Last name	Suffix
Spouse's name	MI	Last name	Suffix
Address			
City, town or post office		State	ZIP code
City or town of legal residence		Check each box that applies. Otherwise, leave blank.	Primary deceased? <input type="checkbox"/> Spouse deceased? <input type="checkbox"/> New address? <input type="checkbox"/> Amended Return? <input type="checkbox"/>
ELECTORAL CONTRIBUTION If you want \$5.00 (\$10.00 if a joint return) to go to this fund, check here. (See instructions. This will not increase your tax or reduce your refund.)		If you wish the 1st \$2.00 (\$4.00 if a joint return) be paid to a specific party, check the box and fill in the name of the political party. Otherwise, it will be paid to a nonpartisan general account.	

FILING STATUS Check one	Single <input type="checkbox"/> Married filing jointly <input type="checkbox"/> Married filing separately <input type="checkbox"/> Head of household <input type="checkbox"/> Qualifying widow(er) <input type="checkbox"/>			

INCOME, TAX AND CREDITS	1	Federal AGI from Federal Form 1040, line 37; 1040A, line 21 or 1040EZ, line 4.....	1	
	2	Net modifications to Federal AGI from RI Sch M, line 3. If no modifications, enter 0 on this line.....	2	
	3	Modified Federal AGI. Combine lines 1 and 2 (add net increases or subtract net decreases).....	3	
	4	RI Standard Deduction from left. If line 3 is over \$195,150, see Standard Deduction Worksheet.....	4	
	5	Subtract line 4 from line 3.....	5	
	6	Exemptions. Enter # of federal exemptions in box, multiply by \$3,900 and enter result on line 6. If line 3 is over \$195,150, see Exemption Worksheet.....	6	
	7	RI TAXABLE INCOME. Subtract line 6 from line 5.....	7	
	8	RI income tax from Rhode Island Tax Table or Tax Computation Worksheet.....	8	
	9a	RI percentage of allowable Federal credit from page 3, RI Sch I, line 22.....	9a	
	b	RI Credit for income taxes paid to other states from page 3, RI Sch II, line 29.....	9b	
	c	Other Rhode Island Credits from RI Schedule CR, line 8.....	9c	
	d	Total RI credits. Add lines 9a, 9b and 9c.....	9d	
	10a	Rhode Island income tax after credits. Subtract line 9d from line 8 (not less than zero).....	10a	
b	Recapture of Prior Year Other Rhode Island Credits from RI Schedule CR, line 11.....	10b		
11	RI checkoff contributions from page 3, RI Checkoff Schedule, line 37. Contributions reduce your refund or increase your balance due	11		
12	USE/SALES tax due from RI Schedule U, line 4 or line 8, whichever applies.....	12		
13a	TOTAL RI TAX AND CHECKOFF CONTRIBUTIONS. Add lines 10a, 10b, 11 and 12.....	13a		

Rhode Island Standard Deduction

Single **\$8,375**

Married filing jointly or Qualifying widow(er) **\$16,750**

Married filing separately **\$8,375**

Head of household **\$12,550**

Using a paper clip, please attach Forms W-2 and 1099 here.

☐ Check ☒ to certify use tax amount on line 12 is accurate.

Name(s) shown on Form RI-1040 or RI-1040NR

Your social security number

PAYMENTS AND PROPERTY TAX RELIEF CREDIT

13b TOTAL RI TAX AND CHECKOFF CONTRIBUTIONS from line 13a.....		13b	
14a RI 2017 income tax withheld from RI Schedule W, line 16. You must attach Sch W AND all W-2 and 1099 forms with RI withholding.	14a		
b 2017 estimated tax payments and amount applied from 2016 return	14b		
c Property tax relief credit from RI-1040H, line 13. Attach RI-1040H.....	14c		
d RI earned income credit from page 3, RI Schedule EIC, line 40.....	14d		
e RI Residential Lead Paint Credit from RI-6238, line 7. Attach RI-6238..	14e		
f Other payments.....	14f		
g TOTAL PAYMENTS AND CREDITS. Add lines 14a, 14b, 14c, 14d, 14e and 14f.....	14g		
h Previously issued overpayments (if filing an amended return).....	14h		
i NET PAYMENTS. Subtract line 14h from line 14g.....	14i		
15a AMOUNT DUE. If line 13b is LARGER than line 14i, subtract line 14i from line 13b.....	15a		
b Enter the amount of underestimating interest due from Form RI-2210 or RI-2210A. (attach form) This amount should be added to line 15a or subtracted from line 16, whichever applies.....	15b		
c TOTAL AMOUNT DUE. Add lines 15a and 15b. Complete RI-1040V and send in with your payment ☹	15c		
16 AMOUNT OVERPAID. If line 14i is LARGER than line 13b, subtract line 13b from line 14i. If there is an amount due for underestimating interest on line 15b, subtract line 15b from line 16..... ☺	16		
17 Amount of overpayment to be refunded.....	17		
18 Amount of overpayment to be applied to 2018 estimated tax.....	18		

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, it is true, accurate and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature	Your driver's license number and state	Date	Telephone number
Spouse's signature	Spouse's driver's license number and state	Date	Telephone number
Paid preparer signature	Print name	Date	Telephone number
Paid preparer address	City, town or post office	State	ZIP code PTIN

May the Division of Taxation contact your preparer? YES ☐

Name(s) shown on Form RI-1040 or RI-1040NR	Your social security number
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RI SCHEDULE I - ALLOWABLE FEDERAL CREDIT

19 RI income tax from page 1, line 8	19	
20 Credit for child and dependent care expenses from Federal Form 1040, line 49 or Form 1040A, line 31.....	20	
21 Tentative allowable federal credit. Multiply line 20 by 25% (0.2500).....	21	
22 MAXIMUM CREDIT. Line 19 or 21, whichever is SMALLER. Enter here and on page 1, line 9a.....	22	

RI SCHEDULE II - CREDIT FOR INCOME TAX PAID TO ANOTHER STATE

23 RI income tax from RI-1040, page 1, line 8 less allowable federal credit from RI-1040, page 3, line 22	23	
24 Income derived from other state. If more than one state, see instructions.....	24	
25 Modified federal AGI from page 1, line 3.....	25	
26 Divide line 24 by line 25	26	
27 Tentative credit. Multiply line 23 by line 26.....	27	
28 Tax due and paid to other state (see specific instructions). Insert abbreviation for state paid	28	
29 MAXIMUM TAX CREDIT. Line 23, 27 or 28, whichever is the SMALLEST. Enter here and on pg 1, line 9b	29	

RI CHECKOFF CONTRIBUTIONS SCHEDULE

	\$1.00	\$5.00	\$10.00	Other		
30 Drug program account RIGL §44-30-2.4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	30	
31 Olympic Contribution RIGL §44-30-2.1 Yes <input type="checkbox"/> \$1.00 contribution (\$2.00 if a joint return)					31	
32 RI Organ Transplant Fund RIGL §44-30-2.5	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	32	
33 RI Council on the Arts RIGL §42-75.1-1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	33	
34 Nongame Wildlife Fund RIGL §44-30-2.2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	34	
35 Childhood Disease Victim's Fund RIGL §44-30-2.3	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	35	
36 RI Military Family Relief Fund RIGL §44-30-2.9	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	36	
37 TOTAL CONTRIBUTIONS. Add lines 30 through 36. Enter here and on RI-1040, page 1, line 11					37	

RI SCHEDULE EIC - RHODE ISLAND EARNED INCOME CREDIT

38 Federal earned income credit from Federal Form 1040, line 66a; 1040A, line 42a, or 1040EZ, line 8a.....	38	
39 Rhode Island percentage	39	15%
40 RI EARNED INCOME CREDIT. Multiply line 38 by line 39. Enter here and on RI-1040, page 2, line 14d	40	

State of Rhode Island and Providence Plantations

2017 RI Schedule W

Rhode Island W-2 and 1099 Information

Name(s) shown on Form RI-1040 or RI-1040NR	Your social security number
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Complete this Schedule listing all of your and, if applicable, your spouse's W-2s and 1099s showing Rhode Island Income Tax withheld. W-2s or 1099s showing Rhode Island Income Tax withheld must still be attached to the front of your return.

Failure to do so may delay the processing of your return. ATTACH THIS SCHEDULE W TO YOUR RETURN

	Column A Enter "S" if Spouse's W-2 or 1099	Column B Enter 1099 letter code from chart	Column C Employer's Name from Box C of your W-2 or Payer's Name from your Form 1099	Column D Employer's state ID # from box 15 of your W-2 or Payer's Federal ID # from Form 1099	Column E Rhode Island Income Tax Withheld (SEE BELOW FOR BOX REFERENCES)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16	Total RI Income Tax Withheld. Add lines 1 through 15, Col. E. Enter total here and on RI-1040, line 14a or RI-1040NR, line 17a.....				
17	Total number of W-2s and 1099s showing Rhode Island Income Tax Withheld				

Schedule W Reference Chart								
Form Type	Letter Code for Column B	Withholding Box	Form Type	Letter Code for Column B	Withholding Box	Form Type	Letter Code for Column B	Withholding Box
W-2	-	17	1099-DIV	D	14	1099-MISC	M	16
W-2G	-	15	1099-G	G	11	1099-OID	O	14
1042-S	S	17a	1099-INT	I	17	1099-R	R	12
1099-B	B	16	1099-K	K	8	RI-1099PT	P	9

2017 Form RI-1040H

Rhode Island Property Tax Relief Claim

Your first name	MI	Last name	Suffix	Deceased?	Your social security number
				Yes <input type="checkbox"/>	
Spouse's first name	MI	Last name	Suffix	Deceased?	Spouse's social security number
				Yes <input type="checkbox"/>	
Mailing address				New address?	Daytime telephone number
				Yes <input type="checkbox"/>	
City, town or post office			State	ZIP code	City or town of legal residence
Home Address if using a PO Box or if your Mailing Address is different from Home Address				Email address	

PART 1 ELIGIBILITY. IF YOU ANSWER NO TO ANY OF THESE QUESTIONS, YOU ARE NOT ELIGIBLE FOR THIS CREDIT.**STOP HERE. DO NOT COMPLETE THE REST OF THIS FORM.**

ELIGIBILITY	A	Were you domiciled in Rhode Island for all of 2017?	A	YES	<input type="checkbox"/>	<input type="checkbox"/>	NO
	B	In 2017 did you live in a household or rent a dwelling that was subject to property tax?	B	YES	<input type="checkbox"/>	<input type="checkbox"/>	NO
	C	Are you current for property taxes or rent due on the homestead for 2017 and all prior years?	C	YES	<input type="checkbox"/>	<input type="checkbox"/>	NO
	D	Were you or your spouse 65 years of age or older and/or disabled as of December 31, 2017?	D	YES	<input type="checkbox"/>	<input type="checkbox"/>	NO
	E	Was your 2017 total household income from page 2, line 32 \$30,000 or less?	E	YES	<input type="checkbox"/>	<input type="checkbox"/>	NO

PART 2 ADDITIONAL INFORMATION - ATTACH A COPY OF YOUR 2017 SOCIAL SECURITY AWARD LETTER OR FORM 1099 TO 1040H FORM

INFO	1a	Enter the total amount of public assistance received by all members of your household	1a					
	b	Enter your total household income from page 2, line 32	1b					
	c	Enter your date of birth	/	/	1d	Enter spouse's date of birth	/	/
	e	Were you or your spouse disabled and receiving Social Security Disability payments during 2017	1e	YES	<input type="checkbox"/>	<input type="checkbox"/>	NO	
	f	Indicate the number of persons in your household	1f					
	g	Enter the number of persons from 1f who are dependents under the age of 18	1g					

PART 3 TO BE COMPLETED BY HOMEOWNERS ONLY- ATTACH A COPY OF YOUR 2017 PROPERTY TAX BILL TO 1040H FORM

HOME OWNERS	2	Enter the amount of property taxes you paid or will pay for 2017	2	
	3	Using your household income from line 1b enter percentage from the computation table located on pg 3	3	%
	4	Multiply amount on line 1b by percentage on line 3	4	
	5	Tentative credit. Subtract line 4 from line 2. If line 4 is greater than line 2, enter zero	5	
	6	PROPERTY TAX RELIEF. Line 5 or \$350.00, whichever is LESS	6	

PART 4 TO BE COMPLETED BY RENTERS ONLY- ATTACH A COPY OF YOUR 2017 LEASE OR 3 RENT RECEIPTS TO 1040H LANDLORD INFORMATION (REQUIRED)

Name:		Address:		Telephone number:	
RENTERS	7	Enter the amount of rent you paid in 2017	7		
	8	Multiply the amount on line 7 by twenty (20) percent (0.2000)	8		
	9	Using your household income from line 1b enter percentage from the computation table located on pg 3	9	%	
	10	Multiply amount on line 1b by percentage on line 9	10		
	11	Tentative credit. Subtract line 10 from line 8. If line 10 is greater than line 8, enter zero	11		
	12	PROPERTY TAX RELIEF. Line 11 or \$350.00, whichever is LESS	12		
CREDIT	13	PROPERTY TAX RELIEF. Line 6 or line 12, whichever applies. Enter here and on Form RI-1040, line 14c	13		

State of Rhode Island and Providence Plantations
2017 Form RI-1040H
 Rhode Island Property Tax Relief Claim

Your name	Your social security number

PART 5 ENTER ALL INCOME RECEIVED BY YOU AND ALL OTHER PERSONS LIVING IN YOUR HOUSEHOLD

Enter the income amounts from your 2017 federal 1040 on the appropriate lines below. If you did not file a federal 1040, enter your income amounts on the appropriate lines below.

HOUSEHOLD INCOME WORKSHEET	14	Wages, salaries, tips, etc. from Federal Form 1040, line 7	14		
	15	Interest and dividends (taxable and nontaxable) from Federal Form 1040, lines 8a, 8b and 9a	15		
	16	Taxable refunds, credits or offsets of state and local income taxes from Federal Form 1040, line 10	16		
	17	Alimony received from Federal Form 1040, line 11	17		
	18	Business income (or loss) from Federal Form 1040 line 12	18		
	19	Sale or exchange of property from Federal Form 1040, lines 13 and 14	19		
	20	IRA distributions, and pensions and annuities from Federal Form 1040, lines 15a and 16a	20		
	21	Rental real estate, royalties, S corps, trusts, etc. from Federal Form 1040, line 17	21		
	22	Farm income or loss from Federal Form 1040, line 18	22		
	23	Unemployment compensation from Federal Form 1040, line 19	23		
	24	Social security benefits (including Medicare premiums) taxable and nontaxable, and Railroad Retirement Benefits from Federal Form 1040, lines 20a	24		
	25	Other income from Federal Form 1040, line 21	25		
	26	Total income from Federal 1040 - taxable and nontaxable. Add lines 14 through 25	26		
	27	Deductions from Federal Form 1040, line 36	27		
	28	Adjusted income. Subtract line 27 from line 26	28		
	29	Cash public assistance received. Enter here and on page 1, Part 2, line 1a	29		
	30	Other non-taxable income including child support, worker's compensation and cash assistance from friends and family	30		
	31	Addback of rental losses, etc. from lines 18, 19, 21, 22 or 25 above	31		
32	TOTAL 2017 HOUSEHOLD INCOME. Add lines 28, 29, 30 and 31. Enter here and on page 1, line 1b	32			

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, it is true, accurate and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature	Spouse's signature	Date	Telephone number
Paid preparer signature	Print name	Date	Telephone number
Paid preparer address	City, town or post office	State	ZIP code PTIN

May the Division of Taxation contact your preparer? YES ☐

2017 Tax Rate Schedule - FOR ALL FILING STATUS TYPES

Taxable Income (from RI-1040 or RI-1040NR, line 7)				%		of the	
Over	But not over	Pay	+	on excess		amount over	
\$ 0	\$ 61,300	\$ ---		3.75%		\$ 0	
61,300	139,400	2,298.75	+	4.75%		61,300	
139,400	6,008.50	+	5.99%		139,400	

STANDARD DEDUCTION WORKSHEET for RI-1040 or RI-1040NR, Page 1, line 4

1. Enter applicable standard deduction amount from the chart below: 1. _____

Single	\$8,375
Married filing jointly	\$16,750
Qualifying widow(er)	\$16,750
Married filing separately	\$8,375
Head of household	\$12,550

2. Enter your modified federal AGI from RI-1040 or RI-1040NR, page 1, line 3..... 2. _____

3. Is the amount on line 2 more than \$195,150?

☐ Yes. Continue to line 4.☐ No. **STOP HERE!** Enter the amount from line 1 on form RI-1040 or RI-1040NR, Page 1, line 4.4. Standard deduction phaseout amount 4. \$195,150

5. Subtract line 4 from line 2. 5. _____

If the result is more than \$22,200, STOP HERE.**Your standard deduction amount is zero (\$0). Enter \$0 on form RI-1040 or RI-1040NR, Page 1, line 4.**

6. Divide line 5 by \$5,550. If the result is not a whole number, increase it to the next higher whole number (for example, increase 0.0004 to 1)..... 6. _____

7. Enter the applicable percentage from the chart below

If the number on line 6 is: then enter on line 7

1	0.8000
2	0.6000
3	0.4000
4	0.2000

7. 0 . _____8. **Deduction amount.** Multiply line 1 by line 7. Enter here and on form RI-1040 or RI-1040NR, Page 1, line 4 8. _____

EXEMPTION WORKSHEET for RI-1040 or RI-1040NR, Page 1, line 6

1. Multiply \$3,900 by the total number of exemptions 1. _____

2. Enter your modified federal AGI from RI-1040 or RI-1040NR, page 1, line 3..... 2. _____

3. Is the amount on line 2 more than \$195,150?

☐ Yes. Continue to line 4.☐ No. **STOP HERE!** Enter the amount from line 1 on form RI-1040 or RI-1040NR, Page 1, line 6.4. Exemption phaseout amount 4. \$195,150

5. Subtract line 4 from line 2. 5. _____

If the result is more than \$22,200, STOP HERE.**Your exemption amount is zero (\$0). Enter \$0 on form RI-1040 or RI-1040NR, Page 1, line 6.**

6. Divide line 5 by \$5,550. If the result is not a whole number, increase it to the next higher whole number (for example, increase 0.0004 to 1)..... 6. _____

7. Enter the applicable percentage from the chart below

If the number on line 6 is: then enter on line 7

1	0.8000
2	0.6000
3	0.4000
4	0.2000

7. 0 . _____8. **Exemption amount.** Multiply line 1 by line 7. Enter here and on form RI-1040 or RI-1040NR, Page 1, line 6 8. _____

2017 RI Schedule M - page 1

RI Modifications to Federal AGI

Name	Social security number

NOTE: For each modification being claimed you must enter the modification amount on the corresponding modification line and attach documentation supporting your modification. Otherwise, the processing of your return may be delayed. Refer to the instructions for more information on each modification. If a modification is not listed below, it is not valid and, therefore, not allowable.

MODIFICATIONS DECREASING FEDERAL AGI

1a	Income from obligations of the US government included in Federal AGI but exempt from state income taxes reduced by investment interest on the obligations taken as a federal itemized deduction.....	1a		
b	Rhode Island fiduciary adjustment as beneficiary of an estate or trust under RIGL §44-30-17	1b		
c	Elective deduction for new research and development facilities under RIGL §44-32-1	1c		
d	Railroad Retirement benefits paid by the Railroad Retirement Board.....	1d		
e	Qualifying investment in a certified venture capital partnership under RIGL §44-43-2	1e		
f	Family Education Accounts under RIGL §44-30-25	1f		
g	Tuition Saving Program contributions (section 529 accounts) under RIGL §44-30-12 . Not to exceed \$500 (\$1,000 if joint return).....	1g		
h	Exemptions from tax on profit or gain for writers, composers and artists under RIGL §44-30-1.1	1h		
i	Bonus depreciation taken on the Federal return that has not yet been subtracted from Rhode Island income under RIGL §44-61-1	1i		
j	Section 179 depreciation taken on the Federal return that has not yet been subtracted from Rhode Island under RIGL §44-61-1.1	1j		
k	Modification for performance based compensation realized by an eligible employee under the Jobs Growth Act under RIGL §42-64.11-4	1k		
l	Modification for exclusion for qualifying option under RIGL §44-39.3 AND modification for exclusion for qualifying securities or investment under RIGL §44-43-8	1l		
m	Modification for Tax Incentives for Employers under RIGL §44-55-4.1	1m		
n	Tax Credit income reported on Federal return exempt for Rhode Island purposes (see instructions for eligible credits).....	1n		
o	Active duty military pay of Nonresidents stationed in Rhode Island and income for services performed in Rhode Island by the servicemember's spouse.....	1o		
p	Scituate Medical Savings Account contributions taxable on the Federal Return but exempt from Rhode Island under RIGL §44-30-25.1(d)(3)(i)	1p		
q	Amounts of insurance benefits for dependents and domestic partners included in Federal AGI pursuant to chapter 12 of title 36 or other coverage plan under RIGL §44-30-12(c)(6)	1q		
r	Modification for Organ Transplantation for specific unreimbursed expenses incurred by Rhode Island Resident pursuant to RIGL §44-30-12(c)(7)	1r		
s	Modification for Rhode Island Resident business owner in certified enterprise zone under RIGL §42-64.3-7	1s		
t	Income from the discharge of business indebtedness claimed as income on Federal return and previously claimed as RI income under the American Recovery and Reinvestment Act of 2009 under RIGL §44-66-1	1t		
u	Modification for taxable Social Security income under RIGL §44-30-12(c)(8) Primary Date of Birth (Required) / / Spouse Date of Birth (Required) / /	1u		
v	Modification for taxable Retirement income from certain pension plans or annuities under RIGL §44-30-12(c)(9) Primary Date of Birth (Required) / / Spouse Date of Birth (Required) / /	1v		
w	Total modifications DECREASING Federal AGI. Add lines 1a through 1v and enter as a negative amount.....	1w		

2017 RI Schedule M - page 2**RI Modifications to Federal AGI**

Name	Social security number

NOTE: For each modification being claimed you must enter the modification amount on the corresponding modification line and attach documentation supporting your modification. Otherwise, the processing of your return may be delayed.

Refer to the instructions for RI Schedule M for more detailed information on each of the modifications listed below.

If a modification is not listed, it is not an allowable Rhode Island adjustment to Federal AGI.

MODIFICATIONS INCREASING FEDERAL AGI

2a	Income from obligations of any state or its political subdivisions, other than Rhode Island under RIGL §44-30-12(1) and RIGL §44-30-12(2)	2a		
b	Rhode Island fiduciary adjustment as beneficiary of an estate or trust under RIGL §44-30-17	2b		
c	Recapture of Family Education Account modifications under RIGL §44-30-25(g)	2c		
d	Bonus depreciation taken for federal purposes that must be added back to Rhode Island income under RIGL §44-61-1	2d		
e	Recapture of Tuition Saving Program modifications (section 529 accounts) under RIGL §44-30-12(4)	2e		
f	Recapture of tax credit income previously claimed as a modification decreasing Federal AGI (see instructions for more information).....	2f		
g	Recapture of Scituate Medical Savings Account modifications under RIGL §44-30-25.1(d)(3)(i)	2g		
h	Total modifications INCREASING Federal AGI. Add lines 2a through 2g.....	2h		

NET MODIFICATIONS TO FEDERAL AGI:

1	Total modifications DECREASING Federal AGI. Enter the amount from Schedule M, page 1, line 1w.....	1		
2	Total modifications INCREASING Federal AGI. Enter the amount from line 2h above.....	2		
3	COMBINE lines 1 and 2. Enter here and on RI-1040 or RI-1040NR, page 1, line 2.....	3		



Rhode Island Department of Revenue Division of Taxation

Topic:

Combined reporting;
Change in due dates – filings;
Corporate minimum tax;
Change in estimated tax payment schedule;
Letters of good standing for sale/transfer of major portion of assets;
Other items and reminders

Speaker:

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Corporate Tax Section

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RI Division of Taxation: Combined Reporting Regulation CT 16-17

Marlen Bautista, Chief Revenue Agent
August 2017



General Information

- For tax years beginning on or after January 1, 2015, a business which is treated as a C corporation for federal income tax purposes, and which is part of a combined group engaged in a single or common business enterprise – a “unitary” business – must file a combined return with Rhode Island
- An entity treated as a C corporation for federal income tax purposes must report on its Rhode Island return not only its own income, but also the combined income of the other corporations, or affiliates, that are part of a combined group under common ownership and part of a unitary business.



Excluded Corporations

- Any C corporation which is or will be taxed under RIGL Chapter 44-11 is subject to combined reporting, **except** for the following:
 - public service corporations RIGL 44-13
 - banking Institutions RIGL 44-14
 - credit unions RIGL 44-15
 - insurance companies RIGL 44-17
 - partnerships treated as pass-through entities for federal tax purposes
 - limited liability companies treated as pass-through entities for federal tax purposes
 - sole proprietorships and disregarded entities
 - any corporation incorporated in a foreign jurisdiction if its sales factor for total receipts outside the United States is 80% or more



Apportionment

- **single sales factor:** sales (gross receipts)
- **finnigan method:** all sales of members of the combined group attributable to Rhode Island are included in the sales factor numerator – regardless of whether or not an individual member of the combined group has nexus with Rhode Island
- **market-based sourcing:** receipts from transactions (other than sales of tangible personal property) are sourced to the market state – that is, the state where the recipient of the service and/or intangible personal property receives benefit



Corporate Minimum Tax

- to compute the minimum tax: # of members that have nexus times the minimum tax **or** the actual tax due for the entire combined group, whichever is higher



Net Operating Loss Deductions

- **pre-2015:** may be carried forward and applied only against the income of the corporation that created the NOL; the NOL cannot be shared with other members of the combined group; no deduction is allowable for a net operating loss sustained during any taxable year in which the corporation was not taxed under the Rhode Island corporate income tax
- **post-2015:** can be offset among members of the group



Tax Credits

- **pre-2015:** shall be allowed to offset only the tax liability of the corporation that earned the credits; the Rhode Island tax credits cannot be shared with other members of the combined group
- **post-2015:** may be applied to other members of the group



- **Estimated Tax**

- the installments must equal one hundred percent (100%) of the current year tax liability

- **Designated Agent**

- the combined group may select any member of the combined group as the designated agent, subject to a limitation that the designated agent itself has a Rhode Island filing requirement under RIGL Chapter 44-11

State of Rhode Island and Providence Plantations
2016 Schedule CRS for RI-1120C
 Combined Reporting Schedule



1611309990101

Designated agent name	Federal Consolidated Election	Federal employer identification number
Member name	NAICS code	Federal employer identification number

Combined Reporting Schedule

1 Federal taxable income		20 Apportioned RI taxable income. Multiply line 16 by 19.....	
Deductions to Federal Taxable Income		21 R & D adjustments.....	
2 2016 NOL deduction.....		22 Pollution control/hazard waste adjustment.....	
3 NOL carryforward.....		23 Capital investment deduction.....	
4 Special deductions.....		24 TOTAL ADJUSTMENTS ADD LINES 21, 22 and 23.....	
5 Exempt dividends and interest.....		25 Rhode Island adjusted taxable income Subtract line 24 from line 20	
6 Foreign dividend gross-up (s78) US 1120, Schedule C, line 15.....		Tax Calculation	
7 Bonus depreciation and Section 179 expense adjustment.....		26 Rhode Island tax - 7%. (Line 25x0.07)	
8 Discharge of business indebtedness claimed as income on Federal return and previously included as RI income under ARRA of 2009 under RIGL §44-66-1.....		27 If nexus, check this box: <input type="checkbox"/>	
9 Modification for Tax Incentives for Employers - RIGL §44-65-4.1.....		28 If nexus, enter the minimum tax of \$450. Otherwise, enter \$0.....	
10 TOTAL DEDUCTIONS. ADD LINES 2 AND 4 THROUGH 9..		29 Greater of line 26 or line 28	
Additions to Federal Taxable Income		30 RI Credits used from carryforward of credit generated prior to 1/1/2015.....	
11 Interest.....		31 RI Credits being used from credit generated on or after 1/1/2015	
12 Rhode Island corporate taxes.....		32 ----- Reserved -----	
13 Bonus depreciation.....		33 Recapture of credits.....	
14 Domestic Production Activity addback.....		34 Jobs Growth Tax.....	
15 TOTAL ADDITIONS. ADD LINES 11 THROUGH 14.....		35 TOTAL TAX.....	
Rhode Island Adjusted Taxable Income		36 Total Rhode Island Average Net Book Value.....	
16 Adjusted taxable income. Line 1 less line 10 plus line 15.....		37 Total Everywhere Average Net Book Value.....	
17 Total Rhode Island Receipts		38 Total Rhode Island Salaries/wages	
18 Total Everywhere Receipts.....		39 Total Everywhere Salaries/wages	
19 Receipts apportionment ratio. Divide line 17 by line 18		40 If utilizing a special apportionment calculation on line 19, check this box: <input type="checkbox"/>	



Rhode Island Department of Revenue

Division of Taxation

ADV 2017-09
TAX ADMINISTRATION

ADVISORY FOR TAX PROFESSIONALS
MARCH 1, 2017

New filing deadlines will apply starting this month

Partnerships and calendar-year C corporations swap places in filing calendar

PROVIDENCE, R.I. – The Rhode Island Division of Taxation today issued a reminder to tax professionals, business entities, and others that filing deadlines have changed for a number of different entities. For example, calendar-year C corporations and partnerships have swapped places in the filing calendar:

- Calendar-year partnerships, which formerly filed in April, now must file in March.
- Calendar-year C corporations, which formerly filed in March, now must file in April.

Due date of March 15, 2017, for calendar-year filers

<i>Entity/tax type</i>	<i>Form</i>	<i>Due date</i>
General partnerships	RI-1065	March 15, 2017
Limited partnerships	RI-1065	March 15, 2017
Limited liability companies	RI-1065	March 15, 2017
Single-member LLC*	RI-1065	March 15, 2017
Subchapter S corporations	RI-1120S	March 15, 2017
Withholding of pass-through entity	RI-1096PT	March 15, 2017
Composite income tax return**	RI-1040C	March 15, 2017
Political organization tax	RI-1120POL	March 15, 2017

APRIL 18 DEADLINE

The due date for calendar-year C corporations this filing season is April 18, 2017, for both federal and Rhode Island purposes, and the extended due date is October 16, 2017.³ Thus, calendar-year C corporations will have the same deadlines for federal and Rhode Island tax purposes. In other words, their returns will be due at the same time.

Due date of April 18, 2017, for calendar-year filers

<i>Entity/tax type</i>	<i>Form</i>	<i>Due date</i>
Corporate income tax	RI-1120C	April 18, 2017
Public service gross earnings tax	T-72	April 18, 2017
Bank excise tax	T-74	April 18, 2017
Insurance gross premiums tax	T-71	April 18, 2017
Single-member LLC*	RI-1065	April 18, 2017
Income tax of trust, estate	RI-1041	April 18, 2017



Rhode Island Department of Revenue

Division of Taxation

ADV 2017-06
CORPORATE INCOMETAX

ADVISORY FOR TAX PROFESSIONALS
FEBRUARY 8, 2017

Six-month extension for calendar-year C corporations

Extended due date will be October 16, 2017, for calendar-year C corporation's TY 2016 return

PROVIDENCE, R.I. – The Rhode Island Division of Taxation announced today that calendar-year C corporations are eligible for an automatic six-month extension for tax years beginning on or after January 1, 2016.

For example, a calendar-year C corporation preparing its Rhode Island return for tax year 2016, with an original due date of April 18, 2017, will have an extended due date of October 16, 2017.

The Division decided to establish the six-month extension so that entities filing their federal and Rhode Island returns will have the same deadlines – a convenience for businesses and for tax professionals.

- June 30th year end taxpayers for the following entities are allowed a 7 month extension:
 - C corps
 - Public service companies
 - Bank excise tax

New corporate estimated tax system – who is affected

For every corporation having a taxable year after December 31, 2017, payment of estimated tax shall be made in four installments of 25 percent each. This requirement shall apply to the following:

TAX/ENTITY	NORMALLY FILES ANNUAL RETURN ON:	SUBJECT TO TAX UNDER RHODE ISLAND GENERAL LAWS:
Business corporation tax (also known as corporate income tax)	Form RI-1120C	Chapter 44-11
Political organization tax	Form RI-1120POL	Chapter 44-11.1
Public service corporation tax (also known as public service gross earnings tax)	Form T-72	Chapter 44-13
Taxation of banks (also known as bank excise tax)	Form T-74	Chapter 44-14
Bank deposits tax	Form T-86	Chapter 44-15
Taxation of insurance companies (also known as insurance gross premiums tax)	Form T-71	Chapter 44-17
Surplus lines	Form T-71A	Chapter 27-3

First payment due on 15th day of fourth month of tax year, second payment on 15th day of sixth month of tax year, third payment on 15th day of ninth month of tax year, fourth payment on 15th day of twelfth month of tax year. New estimated payment system also applies to entities subject to mandatory unitary combined reporting. Forms in table are listed solely for convenience; filers of estimated tax will use estimated tax form (unless filing electronically).

Sale or transfer of assets

The new law makes clear that domestic or foreign limited liability companies, limited partnerships, or any other domestic or foreign business entities are subject to the same notice requirements as are domestic and foreign corporations when it comes to the sale or transfer of a major part in value of the entity's assets:

Under the new law, any entity listed above must notify the Tax Administrator at least five business days before the sale or transfer, providing details of the sale or transfer. The notification must be made by requesting a letter of good standing from the Division of Taxation.

All required tax returns must be filed and all Rhode Island state taxes paid when the Tax Administrator is notified of the sale or transfer.



Rhode Island Department of Revenue Division of Taxation

Topic:

Use tax;
Self-audit program / Form T-205;
Individualized account ID numbers;
Tax on fees on motor vehicle transactions;
Cigarette tax increase;
Acquired real estate conveyance tax

Speaker:

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Chief Revenue Agent
Excise Tax Section

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RHODE ISLAND DIVISION OF TAXATION

WHAT'S A USE TAX?

If you buy something in Rhode Island -- such as a computer, business cards, or a broom -- you must pay the 7 percent sales tax.

But what if you buy the same thing from a seller located outside of Rhode Island -- and the seller does not charge sales tax?

In that case, you owe Rhode Island's 7 percent use tax.

So suppose you buy staplers, some tape, tape dispensers, paperclips, envelopes, and other administrative supplies for your business, for a total of \$1,000. And suppose you use a website, a catalog, or a toll-free number to make the purchases from an out-of-state vendor. If the out-of-state seller does not charge sales tax, you owe Rhode Island's

7 percent use tax. In this example, the tax is \$70.

If you did not pay the required use tax, you can apply for Rhode Island's new self-audit program. If you meet the program's rules,

and pay the tax you owe, the Division of Taxation will waive all penalties and forgive some of the interest.

The list (at right) shows some of the items that are subject to use tax. Examples (below) show who may owe use tax.



If you buy any of the following from an out-of-state seller, you probably owe Rhode Island use tax:

▪ Computers

Including desktops, laptops, printers, scanners, monitors, software, maintenance agreements, and related equipment.

▪ Office Equipment

Including copy and fax machines, calculators, file cabinets, telephone systems, humidifiers, dehumidifiers, video equipment, and related equipment.



▪ Printed supplies

Including desk calendars, business cards, manuals, and training books, directories, posters, and any related items.

▪ Furniture

Including desks, chairs, tables, lamps, cords, televisions, CD players, DVD players, and any related items.



▪ Administrative Supplies

Including checks, photocopies, paper, envelopes, folders, schedulers, books, staplers, tape, tape dispensers, clips, etc.

▪ Cleaning Supplies

Including mops, brooms, sponges, buckets, cleaning products, disposable gloves, and paper towels.



EXAMPLES OF WHO OWES THE USE TAX

Dentist

A dentist's office bought a big-screen TV screen for the waiting room, and dental equipment to examine patients. The out-of-state vendor who sold the \$2,500 in equipment to the dentist's office didn't charge sales tax. The dentist's office owes \$175 in Rhode Island's 7 percent use tax.

Lawyer

A law firm bought a copy machine, as well as business cards, desk calendars, paper, and other supplies, for a total of \$10,000 from an out-of-state seller, who did not charge sales tax. The law firm owes \$700 in Rhode Island use tax.

Contractor

A building contractor buys, through an out-of-state seller, a total of \$25,000 in drills and specialty tools to use on jobs. The seller does not charge sales tax. The contractor owes \$1,750 in Rhode Island use tax.

Questions? See our website, www.tax.ri.gov, or call us at (401) 574-8962.



SELF-AUDIT FOR USE TAX

News
about your
taxes

*A message for businesses and tax professionals from the
Rhode Island Division of Taxation*

In Rhode Island's voluntary self-audit program, you examine your business's books and records to see if you owe Rhode Island's 7% use tax. For example, use tax would be owed if your business:

- ◆ bought computer equipment from an out-of-state vendor for which Rhode Island sales tax was not collected;
- ◆ purchased office supplies online and no Rhode Island sales tax was collected; or
- ◆ bought furniture in another state and paid that state's 5% sales tax. (In this case, you would owe the difference to Rhode Island in the form of use tax.)



Under the Rhode Island Division of Taxation's new self-audit program, a business audits its own books and records to see if the business has a previously undisclosed Rhode Island use tax liability.

To start, the business submits an application to the Tax Division, which oversees and manages the entire process. The Tax Division reviews the application to see if it meets the program's criteria.

If the application is approved, the self-audit is completed in accordance with the program's guidelines, and the business pays what it owes (the tax is 7 percent), the Tax Division can waive penalties and some interest.

There is an application to complete and other steps involved. For more information, contact the Tax Division's Field Audit section at (401) 574-8962 from 8:30 a.m. to 3:30 p.m. business days, or see the agency's website: <http://go.usa.gov/3JexQ>



RHODE ISLAND DIVISION OF TAXATION

One Capitol Hill
Providence, R.I. 02908

The self-audit program is authorized under RIGL § 44-19-43. It was part of the budget bill enacted June 30, 2015 (H 5900 Substitute A as amended).

Form T-205

Consumer's Use Tax Return

Name			Federal employer identification/social security number		
Address			For the period of:		
			MM/DD/YYYY to MM/DD/YYYY		
Address 2			Business type		
City, town or post office			State	ZIP code	E-mail address

Do you expect to make purchases on a consistent basis that will be subject to the use tax? YES ☐ NO ☐**Schedule of Purchases Subject to the Use Tax:** (Use separate sheet if more space is needed.)

NOTE: Businesses and institutions making purchases subject to the use tax on a consistent basis are not required to itemize their purchases on this return, but they must give the total on line 1 and their records showing details must be preserved for the inspection of the Tax Administrator or his agent.

Name and address from whom purchase was made	Purchase Date	Description	Quantity	Total Sale Price
1. Total sale price of purchases subject to the use tax.....				
2. Total sale price from additional schedules (if needed).....				
3. Total sale price of all purchases subject to the use tax. Add lines 1 and 2.....				
4. Amount of tax. Multiply total sale price of purchases from line 3 by 7% (0.0700).....				
5. Credit for sales or use taxes paid on these purchases in other states.....				
6. TAX DUE ON PURCHASES. Subtract line 5 from line 4.....				
7. Interest due. Multiply line 6 times 1.5% (0.15) per month, or fraction thereof, from due date until date paid.....				
8. Penalty. Multiply line 6 times 10% (0.10) if tax is not paid when due.....				
9. TOTAL AMOUNT DUE. Add lines 6, 7 and 8.....				

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, it is true, accurate and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Authorized officer signature	Print name	Date	Telephone number
Paid preparer signature	Print name	Date	Telephone number
Paid preparer address	City, town or post office	State	ZIP Code PTIN

May the Division of Taxation contact your preparer? YES ☐

Form T-205

Consumer's Use Tax Return

Name	Federal employer identification number/social security number

Name and address from whom purchase was made	Purchase Date	Description	Quantity	Total Sale Price
Total sale price of purchases subject to the use tax. Enter on page 1, line 2.....				

Form T-205

Consumer's Use Tax Return

INSTRUCTIONS FOR PREPARING AND FILING
CONSUMER'S USE TAX RETURN
(Form T-205)

Sellers of tangible personal property should use Form T-204 (Sales and Use Tax Return) in reporting both sales and use tax. This Consumer's Use Tax Return form (T-205) must be filed and the use tax must be paid directly to the Tax Administrator by any person other than a seller of tangible personal property who purchases tangible property (except such property as is not taxed under the Rhode Island Sales and Use Tax Act) unless (1) the sale of such property is liable to the Rhode Island sales tax, or unless (2) the Rhode Island use tax has been paid on such property to a retailer who does not maintain a place of business in this state but who holds a Certificate of Authority to Collect Tax.

The use tax does not apply to the following:

- Property purchased for resale in the regular course of business.
- (1) Property purchased for the purpose of being manufactured into a finished product for resale, when such property becomes a recognizable, integral part of such manufactured, compounded, processed, assembled, or prepared product; and
(2) property consumed directly in the process of manufacturing, compounding, processing, assembling, preparing, or producing for resale tangible personal property, electricity, gas, steam, refrigeration, or water.
- (1) Non-refundable containers (including boxes, paper bags, and wrapping materials) when sold without the contents to persons who place the contents in the containers and sell the contents with the containers;
(2) containers when sold with the contents if the contents are not subject to the sales or use tax; and
(3) returnable containers when sold with the contents in connection with a retail sale of the contents or when resold for refilling.
- Newspapers. Newspaper shall mean an unbound publication printed on newsprint which contains news, editorial comment, opinions, features, advertising matter and other matters of public interest. Newspaper does not include a magazine, handbill, circular, flyer, sales catalog, or similar item unless the item is printed for and distributed as a part of a newspaper.
- Gasoline and other motor fuels taxed under title 31, chapter 36 of the general laws of Rhode Island.
- Property sold to or by hospitals not operated for profit, educational institutions not operated for profit, churches, orphanages, and other institutions or organizations operated exclusively for religious or charitable purposes.
- Property sold to the Federal government, this state, any city, town, district, or other political subdivision of this state. However, property sold by these governmental jurisdictions is subject to the tax.
- Property held by the purchaser in this state prior to July 1, 1947.

Note: Any amount claimed as a credit on Line 8 for sales or use taxes paid by taxpayer in other taxing jurisdictions when computing the Rhode Island use tax cannot exceed the amount of the applicable Rhode Island use tax. Taxpayer must retain receipts showing such payment of tax in such other jurisdictions for inspection by tax administrator or his agents. A return is due on or before the 20th of the month following the month in which purchases are made, and must be accompanied by a remittance for the amount due. Checks and money orders should be made payable to the Tax Administrator. Postage stamps will not be accepted. Each return must be signed.

Mail or Bring to:
DIVISION OF TAXATION
One Capitol Hill
Providence, RI 02908-5800



Rhode Island Department of Revenue

Division of Taxation

ADV 2017-18
SALES AND USE TAX

ADVISORY FOR TAX PROFESSIONALS
JUNE 8, 2017

Individualized account numbers for holders of sales permits

Division of Taxation also preparing to send out sales tax coupon booklets and permits

PROVIDENCE, R.I. – In an effort to improve consistency and security, and to embrace best practices, the Rhode Island Division of Taxation has assigned individualized account identification numbers to retailers and other holders of sales permits.

The change, which officially takes effect July 1, 2017, is intended to result in greater ID protection and more security for retailers and other permit holders, particularly by limiting use of the retailer's federal Employer Identification Number or other such tax ID number.

In addition, the change will allow the Division of Taxation to post a retailer's or other permit-holder's information to the Division's new agency-wide computer system more efficiently and effectively. For example, the change will improve the speed and accuracy with which a retailer's payments of sales and use tax are credited to the retailer's account. This will prove especially helpful for retailers with multiple locations.

Many retailers have multiple bank accounts – and a separate account number for each. Many retailers also have different loans outstanding – and a separate account number for each. Similarly, each retailer will now have multiple account ID numbers with the Division of Taxation.

ELECTRONIC FILERS: LIMITED IMPACT

The overwhelming majority of retailers file electronically and they will see little impact. For example, electronic filers typically remit tax by using the Division of Taxation website for business tax filings: <https://www.ri.gov/taxation/business/index.php>. They will continue to use that site, and will continue to use their 11-digit Rhode Island Identification Number and password to log in at that site. They will continue to select, from a menu, the tax type for which they are filing (sales/use tax, or meals-and-beverage tax, for example).

The Division of Taxation is in the process of developing a portal through which businesses will be able to remit tax, make various payments, and take certain other steps online. Even after the portal is fully functional, however, users will see little impact from the new account ID number system: Users will simply create their own account for the portal, including their own login and password, and – once logged in – will select from a menu the tax type for which they are filing and remitting tax.

PAPER FILERS: LIMITED IMPACT

The impact on paper filers also will be limited. For example, the Division of Taxation plans to start mailing out sales tax coupon booklets soon. Each booklet will contain the retailer's sales permit, as well as coupons for remitting tax.

The permit will have its own account ID number, which the paper filer will use for purposes of annual permit renewal. However, the paper filer will be mailed a renewal form, which will have the account ID number on it. So the paper filer need take no extra steps. (This assumes that the paper filer uses the pre-printed form, instead of a blank form, to renew. If the paper filer uses a blank form downloaded from the Division website, all the filer need do is enter his or her new account ID number – the one on the permit.)

The paper filer will have a separate account ID number for remitting tax. However, that account ID number will already be printed on each coupon. Therefore, the paper filer need take no extra steps; he or she should simply remit the appropriate pre-printed coupon with payment. (Even if the paper filer uses a blank form downloaded from the Division website, all the filer need do is enter his or her new account ID number – the one assigned for remitting tax.)

YOUR NEW ACCOUNT ID NUMBERS

If you hold a Rhode Island sales tax permit, the Division of Taxation will soon send you a mailing which will include your new account ID numbers. The mailing will go to permit-holders who:

- have renewed their sales tax permits for the year which begins July 1, 2017;
- paid the required \$10 permit renewal fee; and
- are not delinquent on their Rhode Island state taxes.

If you have not renewed your permit, use the renewal form that was mailed to you or use the blank form available at the Division website (see screenshot below).

Assuming that you have paid the required \$10 annual permit renewal fee, and that you are current on your State of Rhode Island taxes, you will receive your new sales permit as well as your new account ID numbers. Following is a link to the blank form:

http://www.tax.ri.gov/forms/2016/Excise/SalesUse/STREN_1D_m.pdf

STILL HELPFUL TO KEEP TRACK

Whether the retailer files electronically or on paper, it will still be important for the retailer (and for the retailer's bookkeeper, accountant, or other adviser) to keep track of the new Division of Taxation account ID numbers, much like the retailer keeps track of multiple bank account or loan ID numbers now.

For example, if you are a retailer:

- A different account ID number will apply for each function related to your account, such as remitting sales/use tax, filing the annual sales tax reconciliation, and renewing your sales permit.
- A different account ID number will apply for any tax type or fee you need to remit, such as meals-and-beverage tax, hotel tax, hard-to-dispose materials tax, and prepaid wireless tax.
- If you are a retailer with multiple locations, each location will have its own account ID number.
- Your sales permit itself will have its own account ID number, which will appear on the new permit you will soon be mailed, covering the year which begins July 1, 2017. (You will use the account ID number shown on your sales permit only for purposes of renewing the sales permit. You will use a separate account ID number to remit sales/use tax.)

ACCOUNT ID EXAMPLES

Following are some examples of how the new account ID number system will work.

Example # 1

Suppose that ABC Jewelry Inc. is a retailer with one location, in Providence, and sells only jewelry. For the year which begins July 1, 2017, and for later years, ABC Jewelry Inc. will, solely for excise tax purposes, have three separate account ID numbers, one for each of the following:

- sales permit
- sales tax remittance
- annual sales tax reconciliation

Example # 2

Suppose that Sally Smith of North Kingstown is an artist who sells one-of-a-kind or limited-edition artwork and holds a sales tax exemption certificate for the sale of her work. For the year which begins July 1, 2017, and for later years, Sally will, solely for excise tax purposes, have three separate account ID numbers, one for each of the following:

- sales permit
- sales tax remittance
- annual sales tax reconciliation

Example # 3

XYZ Restaurant Inc. has two restaurant locations: one in Cranston, the other in Warwick. XYZ Restaurant Inc. must collect and remit sales tax as well as meals-and-beverage tax. Thus, for the year which begins July 1, 2017, and for later years, XYZ Restaurant Inc. will, solely for excise tax purposes, have separate account ID numbers for a number of items. However, how many separate account ID numbers will depend on whether XYZ Restaurant Inc. files separate returns for each of its locations, or if XYZ Restaurant Inc. files for excise tax purposes on a consolidated basis.

If XYZ Restaurant Inc. files separate returns for each location

Cranston location:

- sales permit for Cranston site
- sales tax remittance for Cranston site
- meals-and-beverage tax remittance for Cranston site
- annual sales tax reconciliation
- litter permit

Warwick location:

- sales permit for Warwick site
- sales tax remittance for Warwick site
- meals-and-beverage tax remittance for Warwick site
- annual sales tax reconciliation
- litter permit

If XYZ Restaurant Inc. files on a consolidated basis:

- sales permit for Cranston site
- sales permit for Warwick site
- litter permit for Cranston site
- litter permit for Warwick site
- sales tax remittance for both sites consolidated
- meals-and-beverage tax remittance for both sites consolidated
- annual sales tax reconciliation for both sites consolidated

SALES TAX COUPON BOOKLETS

By the end of June 2017, the Division will begin mailing sales tax coupon booklets. The booklets are for the approximately 5,100 retailers who remit their monthly or quarterly sales tax by check; a coupon must accompany each payment. (Because the majority of the approximately 30,000 permit-holders file electronically, they do not need coupon booklets.)

Each coupon booklet will also contain the new sales permit covering the year which begins July 1, 2017. (As noted earlier in this Advisory, each sales permit will contain a unique account ID number. Also as noted earlier in this Advisory, each sales tax coupon booklet will contain a unique account ID number, which will be printed on the coupons. The sales permit account ID number is for purposes of renewing the permit. The account ID number on the sales coupons is for remitting tax.) If you renewed your permit, but do not receive your booklet by July 1, 2017, you may continue using the old one until the new one arrives.

OTHER POINTS

Following are some other points to keep in mind:

- If you are an electronic sales tax filer, and your account is not blocked because of delinquent taxes, and you have renewed your sales permit and paid the associated \$10

annual renewal fee, the Division will mail your new permit in July or August. You will not receive a sales tax coupon booklet. However, you will soon receive a mailing so you can see your new account ID numbers.

- A cigarette tax license/permit must be obtained by those who wish to sell tobacco and other tobacco products. Each location must obtain its own license and therefore will have its own new account ID number. Cigarette dealer's license permits are to be mailed in late June.
- For hotels and for those who rent out residential dwellings, there will be a different account ID number for each hotel / residential dwelling filing account.
- Each nine-digit account ID number will have a total of nine numbers. In most cases, your account ID number will be shown as nine numbers separated by hyphens or dashes, such as the following: 9-9999-9999. (In certain instances, the account ID number may be shown as nine numbers in succession, with no hyphens or dashes.)
- The Division will soon be mailing out coupon booklets for the hotel tax, tax on hard-to-dispose material, meals-and-beverage tax, and prepaid-wireless tax.

CONTACT INFORMATION

For more information about Rhode Island sales tax, use tax, sales permits, or related matters, contact the Division of Taxation's Excise Tax section at (401) 574-8955 from 8:30 a.m. to 3:30 p.m. Eastern Time business days, or email Tax.Excise@tax.ri.gov. The Division of Taxation office is located at One Capitol Hill in Providence, R.I., diagonally across from the Smith Street entrance to the State House.

ADV 2017-18
REVISED JUNE 8, 2017



Rhode Island Department of Revenue

Division of Taxation

Notice 2017-14 Sales and Use Tax

August 28, 2017

Motor Vehicle Documentation and Title Preparation Fees

SECTION 1: PURPOSE

The Rhode Island Division of Taxation hereby provides notice to motor vehicle dealers and others regarding the application of the Rhode Island sales and use tax to motor vehicle documentation and title preparation fees, and other such miscellaneous fees, effective September 15, 2017.

SECTION 2: DESCRIPTION

As part of its analysis and review of Rhode Island statutes and regulations, and of the statutes and regulations of other states, the Division of Taxation has determined that Rhode Island's 7 percent sales and use tax shall apply to documentation and title preparation fees that are charged in motor vehicle transactions (including, but not limited to, the sales of motor vehicles).

Example: XYZ Motor Sales Inc., a dealership in Providence, R.I., sells a car to a Providence resident for \$24,000. As part of the transaction, XYZ Motor Sales Inc. also charges a \$200 documentation fee and a \$20 title preparation fee. The 7 percent Rhode Island sales and use tax rate applies to the gross sales price of \$24,220 – which includes the \$24,000 car price, the \$200 documentation fee, and the \$20 title preparation fee. Thus, in this example, the tax due on the purchase is \$1,695.40 (\$24,220 times 0.07).

Example	
Car price	\$ 24,000.00
Documentation fee	\$ 200.00
Title preparation fee	\$ 20.00
Gross sales price (including car price and fees)	\$ 24,220.00
Sales tax (at 7 percent)	\$ 1,695.40

When the dealer completes the dealer statement of sale on Form T-336, the dealer shall include all documentation and title preparation fees, and other such miscellaneous fees, as part of the gross sales price of the motor vehicle. When a dealer sells a motor vehicle to a *bona fide* nonresident (whose state of residence does not allow a like exemption to its nonresidents), the dealer shall include all documentation and title preparation fees, and other such miscellaneous fees, in the gross sales price.

SECTION 3: CITATION

Under Rhode Island General Laws § 44-18-18, a sales tax is imposed on gross receipts of a retailer. Under Rhode Island General Laws § 44-18-20, a use tax is imposed on the storage, use, or consumption of tangible personal property. The use tax is a complement to Rhode Island's sales tax.

Under Rhode Island General Laws § 44-18-12(a), the term "sales price" applies to the measure subject to sales tax. The term means the total amount of consideration, including cash, credit, property, and services, for which personal property or services are sold, leased, or rented, valued in money, whether received in money or otherwise, without any deduction for charges by the seller for any services necessary to complete the sale (other than delivery and installation charges, as defined in statute).

SECTION 4: CONTACT PERSON

For questions about this notice, contact the Rhode Island Division of Taxation's Excise Tax section by telephone at (401) 574-8955, by email: Tax.Excise@tax.ri.gov, or by mail: Rhode Island Division of Taxation, One Capitol Hill, Providence, R.I. 02908.



Rhode Island Department of Revenue

Division of Taxation

August 28, 2017

NOTICE

TO ALL VEHICLE DEALERS

This Notice is to inform you that, on and after September 15, 2017, Rhode Island sales and use tax must be applied to documentation fees, title preparation fees, and other such miscellaneous fees that are charged in motor vehicle transactions (including, but not limited to, the sales of motor vehicles). In other words, the Rhode Island sales and use tax applies to the gross sales price – including all documentation fees, title preparation fees, and other such miscellaneous fees.

Example: XYZ Motor Sales Inc., a dealership in Providence, R.I., sells a car to a Providence resident for \$24,000. As part of the transaction, XYZ Motor Sales Inc. also charges a \$200 documentation fee and a \$20 title preparation fee. The 7 percent Rhode Island sales and use tax rate applies to the gross sales price of \$24,220 – which includes the \$24,000 car price, the \$200 documentation fee, and the \$20 title preparation fee. Thus, in this example, the tax due on the purchase is \$1,695.40 (\$24,220 times 0.07).

Example	
Car price	\$ 24,000.00
Documentation fee	\$ 200.00
Title preparation fee	\$ 20.00
Gross sales price (including car price and fees)	\$ 24,220.00
Sales tax (at 7 percent)	\$ 1,695.40

When you complete the dealer statement of sale on Form T-336, include all documentation and title preparation fees, and other such miscellaneous fees, as part of the gross sales price of the motor vehicle. If you sell a motor vehicle to a *bona fide* nonresident (whose state of residence does not allow a like exemption to its nonresidents), include all documentation and title preparation fees, and other such miscellaneous fees, in the gross sales price.

Under Rhode Island General Laws § 44-18-12(a), the term “sales price” applies to the measure subject to sales tax. The term means the total amount of consideration, including cash, credit, property, and services, for which personal property or services are sold, leased, or rented, valued in money, whether received in money or otherwise, without any deduction for charges by the seller for any services necessary to complete the sale (other than delivery and installation charges, as defined in statute).

CONTACT INFORMATION

For questions about this notice, contact the Rhode Island Division of Taxation’s Excise Tax section by telephone at (401) 574-8955, by email: Tax.Excise@tax.ri.gov, or by mail: Rhode Island Division of Taxation, One Capitol Hill, Providence, R.I. 02908.

August 2017
Notice 2017-13



Rhode Island Department of Revenue Division of Taxation

NOTICE:

TO ALL RHODE ISLAND CIGARETTE DISTRIBUTORS

This is to notify all Rhode Island licensed cigarette distributors that the 2017 session of the Rhode Island General Assembly enacted into law legislation increasing the tax levied upon the sale of cigarettes. The new rate, of two hundred twelve and one half (212.5) mills per cigarette, increases the tax from \$3.75 per package of 20 cigarettes to \$4.25, and from \$4.69 per package of 25 cigarettes to \$5.31. This increase is effective at 12:01 a.m. on August 16th, 2017. The prepaid sales tax will remain the same at \$0.58 per pack.

Please be advised that Tax Division personnel may conduct an inventory count verification. In lieu of completed inventory counts, the Tax Division has the right to estimate.

Please note the following:

- 1) A Cigarette Floor Stock Tax Return (enclosed) is required to be completed after the close of business on August 15th, 2017, and returned to this office with full payment on or before August 30th, 2017.
- 2) An updated Cigarette Stamp Purchase Price List, Cigarette Stamp Requisition Form, Cigarette Stamp Rolling Paper Requisition Form, Monthly Report for Cigarette Distributor, and Monthly Report for Rolling Paper Distributor, all of which detail the new tax rate change, will be posted on the Division of Taxation's website at www.tax.ri.gov.
- 3) The revised minimum price list, detailing the new prices at which cigarettes may be sold at wholesale and at retail levels, will be posted on the Division of Taxation's website at www.tax.ri.gov.

Should you have any questions, please call the Excise Tax section at (401) 574-8955.

August 2017
Notice 2017-12



Rhode Island Department of Revenue Division of Taxation

NOTICE:

TO ALL RHODE ISLAND CIGARETTE DEALERS

The 2017 session of the Rhode Island General Assembly enacted into law legislation increasing the tax levied upon the sale of cigarettes. The new rate, of two hundred twelve and one half (212.5) mills per cigarette, increases the tax from \$3.75 per package of 20 cigarettes to \$4.25, and from \$4.69 per package of 25 cigarettes to \$5.31. This increase is effective at 12:01 a.m. on August 16th, 2017.

Please be advised that Tax Division personnel may conduct an inventory count verification. In lieu of completed inventory counts, the Tax Division has the right to estimate.

Please note the following:

- 1) A Cigarette Floor Stock Tax Return (enclosed) is required to be completed after the close of business on August 15th, 2017, and returned to this office with full payment on or before August 30th, 2017. Failure to remit the floor stock tax return may result in a full audit of your business.
- 2) The revised Minimum Price List detailing the new prices at which cigarettes may be sold at wholesale and at retail levels will be posted on the Division of Taxation's website at www.tax.ri.gov.

Should you have any questions, please call the Excise Tax section at (401) 574-8955.

August 2017
Notice 2017-11

TITLE 44

Taxation

CHAPTER 44-25

Real Estate Conveyance Tax

SECTION 44-25-1

§ 44-25-1 Tax imposed – Payment – Burden.

(a) There is imposed, on each deed, instrument, or writing by which any lands, tenements, or other realty sold is granted, assigned, transferred, or conveyed to, or vested in, the purchaser or purchasers, or any other person or persons, by his or her or their direction, or on any grant, assignment, transfer, or conveyance or such vesting, by such persons which has the effect of making any real estate company an acquired real estate company, when the consideration paid exceeds one hundred dollars (\$100), a tax at the rate of two dollars and thirty cents (\$2.30) for each five hundred dollars (\$500) or fractional part of it which is paid for the purchase of property or the interest in an acquired real estate company (inclusive of the value of any lien or encumbrance remaining at the time of the sale, grant, assignment, transfer or conveyance or vesting occurs, or in the case of an interest in an acquired real estate company, a percentage of the value of such lien or encumbrance equivalent to the percentage interest in the acquired real estate company being granted, assigned, transferred, conveyed or vested), which tax is payable at the time of making, the execution, delivery, acceptance or presentation for recording of any instrument affecting such transfer grant, assignment, transfer, conveyance or vesting. In the absence of an agreement to the contrary, the tax shall be paid by the grantor, assignor, transferor or person making the conveyance or vesting.

(b) In the event no consideration is actually paid for the lands, tenements, or realty, the instrument or interest in an acquired real estate company of conveyance shall contain a statement to the effect that the consideration is such that no documentary stamps are required.

(c) The tax administrator shall contribute to the distressed community relief program the sum of thirty cents (\$.30) per two dollars and thirty cents (\$2.30) of the face value of the stamps to be distributed pursuant to § 45-13-12, and to the housing resources commission restricted receipts account the sum of thirty cents (\$.30) per two dollars and thirty cents (\$2.30) of the face value of the stamps. Funds will be administered by the office of housing and community development, through the housing resources commission. The state shall retain sixty cents (\$.60) for state use. The balance of the tax shall be retained by the municipality collecting the tax. Notwithstanding the above, in the case of the tax on the grant, transfer, assignment or conveyance or vesting with respect to an acquired real estate company, the tax shall be collected by the tax administrator and shall be distributed to the municipality where the real estate owned by the acquired real estate company is located provided, however, in the case of any such tax collected by the tax administrator, if the acquired real estate company owns property located in more than one municipality, the proceeds of the tax shall be allocated amongst said municipalities in the proportion the assessed value of said real estate in each such municipality bears to the total of the assessed values of all of the real estate owned by the

acquired real estate company in Rhode Island. Provided, however, in fiscal years 2004 and 2005, from the proceeds of this tax, the tax administrator shall deposit as general revenues the sum of ninety cents (\$.90) per two dollars and thirty cents (\$2.30) of the face value of the stamps. The balance of the tax on the purchase of property shall be retained by the municipality collecting the tax. The balance of the tax on the transfer with respect to an acquired real estate company, shall be collected by the tax administrator and shall be distributed to the municipality where the property for which interest is sold is physically located. Provided, however, that in the case of any tax collected by the tax administrator with respect to an acquired real estate company where the acquired real estate company owns property located in more than one municipality, the proceeds of the tax shall be allocated amongst the municipalities in proportion that the assessed value in any such municipality bears to the assessed values of all of the real estate owned by the acquired real estate company in Rhode Island.

(d) For purposes of this Section, the term "acquired real estate company" means a real estate company that has undergone a change in ownership interest if (i) such change does not affect the continuity of the operations of the company; and (ii) the change, whether alone or together with prior changes has the effect of granting, transferring, assigning or conveying or vesting, transferring directly or indirectly, 50% or more of the total ownership in the company within a period of three (3) years. For purposes of the foregoing subsection (ii) hereof, a grant, transfer, assignment or conveyance or vesting, shall be deemed to have occurred within a period of three (3) years of another grant(s), transfer(s), assignment(s) or conveyance(s) or vesting(s) if during the period the granting, transferring, assigning or conveying or party provides the receiving party a legally binding document granting, transferring, assigning or conveying or vesting said realty or a commitment or option enforceable at a future date to execute the grant, transfer, assignment or conveyance or vesting.

(e) A real estate company is a corporation, limited liability company, partnership or other legal entity which meets any of the following:

(i) Is primarily engaged in the business of holding, selling or leasing real estate, where 90% or more of the ownership of said real estate is held by 35 or fewer persons and which company either (a) derives 60% or more of its annual gross receipts from the ownership or disposition of real estate; or (b) owns real estate the value of which comprises 90% or more of the value of the entity's entire tangible asset holdings exclusive of tangible assets which are fairly transferrable and actively traded on an established market; or

(ii) 90% or more of the ownership interest in such entity is held by 35 or fewer persons and the entity owns as 90% or more of the fair market value of its assets a direct or indirect interest in a real estate company. An indirect ownership interest is an interest in an entity 90% or more of which is held by 35 or fewer persons and the purpose of the entity is the ownership of a real estate company.

(f) In the case of a grant, assignment, transfer or conveyance or vesting which results in a real estate company becoming an acquired real estate company, the grantor, assignor, transferor, or person making the conveyance or causing the vesting, shall file or cause to be filed with the division of taxation, at least five (5) days prior to the grant, transfer, assignment or conveyance or vesting, notification of the proposed grant, transfer, assignment, or conveyance or vesting, the price, terms and conditions of thereof, and the character and location of all of the real estate assets held by real estate company and shall remit the tax imposed and owed pursuant to subsection (a) hereof. Any such grant, transfer, assignment or conveyance or vesting which results in a real estate company becoming an acquired real estate company shall be fraudulent and void as against the state unless the entity notifies the tax administrator in writing of the grant, transfer, assignment or conveyance or vesting as herein required in subsection (f) hereof and has paid the tax as required in subsection (a) hereof. Upon the

payment of the tax by the transferor, the tax administrator shall issue a certificate of the payment of the tax which certificate shall be recordable in the land evidence records in each municipality in which such real estate company owns real estate. Where the real estate company has assets other than interests in real estate located in Rhode Island, the tax shall be based upon the assessed value of each parcel of property located in each municipality in the state of Rhode Island.

History of Section.

(P.L. 1968, ch. 89, § 2; P.L. 1978, ch. 290, § 1; P.L. 1989, ch. 126, art. 52, § 1; P.L. 1998, ch. 31, art. 25, § 1; P.L. 2002, ch. 65, art. 16, § 12; P.L. 2004, ch. 595, art. 16, § 1; P.L. 2014, ch. 145, art. 12, § 5; P.L. 2015, ch. 141, art. 11, § 6.)



Rhode Island Department of Revenue

Division of Taxation

IMPORTANT NOTICE

REAL ESTATE CONVEYANCE TAX FOR AN ACQUIRED REAL ESTATE COMPANY

The Rhode Island General Assembly enacted a law effective July 1, 2015 requiring acquired real estate companies to (i) file notice of a potential acquisition of a real estate company at least five (5) days prior to the grant, transfer, assignment, conveyance, or vesting of such an acquisition; and to (ii) pay an appropriate tax for the acquisition of the real estate company. The law amended several subsections of R.I. Gen. Law § 44-25-1 which is part of the current real estate conveyance tax law to require notice of the real estate company acquisition, payment of an appropriate tax, and issuance of a certificate by the Division of Taxation upon payment of the tax for the interest in the acquired real estate company.

KEY TERMS OF THE NEW REQUIREMENT

You must be a **“real estate company”** and an **“acquired real estate company”** in order to be subject to the tax.

- To determine if you are a **“real estate company”** you must be a corporation, limited liability company, partnership, or other legal entity which meets 1 or 2 below:
 1. Is primarily engaged in the business of holding, selling or leasing real estate, where 90% or more of the ownership of said real estate is held by 35 or fewer persons and which company either:
 - (a) derives 60% or more of its annual gross receipts from the ownership or disposition of real estate; or,
 - (b) owns real estate the value of which comprises 90% or more of the value of the entity’s entire tangible asset holdings exclusive of tangible assets which are fairly transferrable and actively traded on an established market.If you meet 1 (a) or 1 (b) above, you are primarily engaged in real estate and are considered a “real estate company.”

OR

 - 2. 90% or more of the ownership interest in such entity is held by 35 or fewer persons and the entity owns as 90% or more of the fair market value of its assets a direct or indirect interest in a real estate company. An indirect ownership interest is an interest in an entity 90% or more of which is held by 35 or fewer persons and the purpose of the entity is the ownership of a real estate company.
- An **“acquired real estate company”** is defined in the law as: a real estate company that has undergone a change in ownership interest if :
 - (i) such change does not affect the continuity of the operations of the company; and
 - (ii) the change, whether alone or together with prior changes has the effect of granting, transferring, assigning or conveying or vesting, transferring directly or indirectly, 50% or more of the total ownership in the company within a period of three (3) years. If you meet (i) and (ii) above, you are considered an acquired real estate company.
- The tax is applicable when there is consideration paid of more than \$100 at a rate of \$2.30 for each \$500 or fractional part of \$500 which is paid for the interest acquired in a real estate company.
- The tax is payable at the time of the making, the execution, delivery, acceptance or presentation for recording of any instrument affecting such transfer, grant, assignment, transfer, conveyance or vesting.
- The tax is imposed upon the grantor, assignor, transferor or person making (giving) the conveyance or vesting.

Instructions and Form CVYT-2 are available at:

http://www.tax.ri.gov/taxforms/sales_excise/real_estate.php

Should you have any questions, please contact the Excise Tax Section at (401) 574-8955.

State of Rhode Island and Providence Plantations
Form CVYT-2
Acquired Real Estate Company Conveyance Tax Return

Acquired real estate company			Federal employer identification number	
Address			Date of acquisition MM/DD/YYYY	
Address 2				
City, town or post office	State	ZIP code	E-mail address	

Answer the following regarding your corporation, limited liability company, partnership or other legal entity:

Schedule A - Determination of a Real Estate Company

- | | YES | NO |
|--|--------------------------|--------------------------|
| 1 Is primarily engaged in the business of holding, selling or leasing real estate, where 90% or more of the ownership of said real estate is held by 35 or fewer persons and which company either (i) derives 60% or more of its annual gross receipts from the ownership or disposition of real estate or (ii) owns real estate the value of which comprises 90% or more of the value of the entity's entire tangible asset holdings exclusive of tangible assets which are fairly transferable and actively traded on an established market; or | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 90% or more of the ownership interest in such entity is held by 35 or fewer persons and the entity owns as 90% or more of the fair market value of its assets a direct or indirect interest in a real estate company. | <input type="checkbox"/> | <input type="checkbox"/> |

If you answer "YES" to 1 or 2, you meet the definition of a real estate company under R.I. Gen. Laws § 44-25-1. Continue to Schedule B to determine if you meet the definition of an acquired real estate company under R.I. Gen. Laws § 44-25-1.

Schedule B - Determination of an Acquired Real Estate Company

- | | YES | NO |
|---|--------------------------|--------------------------|
| 1 Has the real estate company undergone a change in ownership interest where such change has not affected the continuity of the operation of the company? | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 Has the real estate company undergone a change in ownership interest where such change has the effect of granting, transferring, assigning or conveying or vesting, 50% or more of the total ownership in the company within a period of three (3) years? | <input type="checkbox"/> | <input type="checkbox"/> |

If you answer "YES" to 1 and 2, you meet the definition of an acquired real estate company and are subject to the conveyance tax under R.I. Gen. Laws § 44-25-1.

Schedule C - Tax and Remittance Computation

- | | | | |
|--|---|--|--|
| 1 Consideration paid for the acquisition of the real estate company. If \$100 or less, enter zero on line 3..... | 1 | | |
| 2 Divide line 1 by \$500.00. Round up to the next whole number..... | 2 | | |
| 3 Conveyance tax due. Multiply line 2 by \$2.30..... | 3 | | |

I certify that I meet the definitions of a Real Estate Company, as well as an Acquired Real Estate Company under R.I. Gen. Laws § 44-25-1. Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, it is true, accurate and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Authorized officer signature	Print name		Date	Telephone number
Paid preparer signature	Print name		Date	Telephone number
Paid preparer address	City, town or post office	State	ZIP code	PTIN

May the Division of Taxation contact your preparer? YES ☐

New 07/2015

State of Rhode Island and Providence Plantations
Form CVYT-2
Acquired Real Estate Company Conveyance Tax Return

Acquired real estate company	Federal employer identification number

Schedule D - Itemized Real Estate Assets

Include all of the assets held by the real estate company which is becoming the acquired real estate company.

In order to get the Allocation Percentage (Column E) for each type of real estate, divide the amount from Column D - Total Assessed Value by the Total Assessed Value of all of the real estate owned by the acquired real estate company from line 2 below.

**Use Columns D and E only if the acquired
real estate company owns property located
in more than one municipality**

1	Column A	Column B	Column C	Column D	Column E
	Type of Real Estate	City/Town Where Real Estate is Located	Tax Assessor's Description (e.g. Plat / Lot #)	Total Assessed Value including any liens and encumbrances	% of Company's Real Estate Sold
	2	Total assessed value of real estate held by the acquired real estate company. Add all amounts listed in Column D.....			



Rhode Island Department of Revenue

Division of Taxation

INSTRUCTIONS

FOR PAYMENT OF REAL ESTATE CONVEYANCE TAX FOR AN ACQUIRED REAL ESTATE COMPANY

1. The grantor, transferor, or person making the conveyance is required to file a written notice at least five (5) days prior to the grant, transfer, assignment or conveyance of such transfer or conveyance. Such notification shall include price, terms and conditions of the acquisition, and location of the assets.
2. The grantor, transferor, or person making the conveyance is required to complete and submit Form CVYT-2 along with a copy of the purchase and sales agreement. These documents must be faxed to the Excise Tax section at (401) 574-8914. Please allow 8 – 10 business days to process the Form CVYT-2.
3. Attorney checks or certified bank checks payable to the Rhode Island Division of Taxation will be accepted as forms of payment. Personal checks will not be accepted.
4. The Division of Taxation reserves the right to request additional information as needed.
5. An **appointment** must be made in order to receive the “Certificate of Payment of Tax”. Prior to the issuance of this certificate, a signed Form CVYT-2 and proper payment of tax must be received. Failure to provide any required information will delay the processing of your request.

If there are any questions, please contact the Rhode Island Division of Taxation’s Excise Tax Section at (401) 574-8955



Rhode Island Department of Revenue

Division of Taxation

Topic:

Regulatory update;
Closing Remarks

Speaker:

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